

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| | <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|--|---|---|------------------|-------------------------------|---------------------------|
| | General Liability Claims | City Attorney's Office | - | \$4,000,000 | - |
| | <p>This action increases the General Liability Claims City-Wide appropriation to the City Attorney's Office by \$4.0 million, from \$10.0 million to \$14.0 million. Based on an analysis of current and potential litigation settlements and claims awards against the City, it is necessary to allocate additional funding to this appropriation.</p> | | | | |
| Required Technical- Rebalancing Actions | Non-Personal/Equipment (Outside Litigation Costs) | City Attorney's Office | - | \$1,500,000 | - |
| | <p>This action increases the City Attorney's Office Non-Personal/Equipment appropriation by \$1.5 million, from \$1.5 million to \$3.0 million, to provide funding for contractual legal services due to an increasing number of claims and litigation. Increased legal services are expected based on an analysis of current and potential claims and litigation. Due to the nature of the litigation, subject matter expertise from outside legal consultants is necessary.</p> | | | | |
| | Children's Discovery Museum (Cultural Facilities Operations Support) | City Manager - Office of Economic Development | - | \$46,500 | - |
| | <p>As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the annual operational support to the Children's Discovery Museum by \$46,500. Additional actions recommended in this report increase the annual operational support to the major cultural organizations operating City facilities by a total of \$400,000 - the Tech Interactive (\$260,000), San José Museum of Art (\$50,000), Children's Discovery Museum (\$46,000), Hammer Theatre Center (\$30,000), and Escuela de Artes y Cultura at the Mexican Heritage Plaza (\$13,500) - that sustained large reductions in operational support during the Great Recession. These actions restore previously reduced funding, and funding allocations in future years will align with inflation.</p> | | | | |

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| <p>Hammer Theater Center Operations and Maintenance (Cultural Facilities Operations Support)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the annual operational support to the Hammer Theatre Center by \$30,000. Additional actions recommended in this report increase the annual operational support to the major cultural organizations operating City facilities by a total of \$400,000 - the Tech Interactive (\$260,000), San José Museum of Art (\$50,000), Children's Discovery Museum (\$46,000), Hammer Theatre Center (\$30,000), and Escuela de Artes y Cultura at the Mexican Heritage Plaza (\$13,500) - that sustained large reductions in operational support during the Great Recession. These actions restore previously reduced funding, and funding allocations in future years will align with inflation.</p> | <p>City Manager - Office of Economic Development</p> | - | \$30,000 | - |
| <p>San José Museum of Art (Cultural Facilities Operations Support)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the annual operational support to the San José Museum of Art by \$50,000. Additional actions recommended in this report increase the annual operational support to the major cultural organizations operating City facilities by a total of \$400,000 - the Tech Interactive (\$260,000), San José Museum of Art (\$50,000), Children's Discovery Museum (\$46,000), Hammer Theatre Center (\$30,000), and Escuela de Artes y Cultura at the Mexican Heritage Plaza (\$13,500) - that sustained large reductions in operational support during the Great Recession. These actions restore previously reduced funding, and funding allocations in future years will align with inflation.</p> | <p>City Manager - Office of Economic Development</p> | - | \$50,000 | - |

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| <p>Technology Museum of Innovation (Cultural Facilities Operations Support)</p> <p>As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the annual operational support to the Tech Interactive by \$260,000. Additional actions recommended in this report increase the annual operational support to the major cultural organizations operating City facilities by a total of \$400,000 - the Tech Interactive (\$260,000), San José Museum of Art (\$50,000), Children's Discovery Museum (\$46,000), Hammer Theatre Center (\$30,000), and Escuela de Artes y Cultura at the Mexican Heritage Plaza (\$13,500) - that sustained large reductions in operational support during the Great Recession. These actions restore previously reduced funding, and funding allocations in future years will align with inflation.</p> | <p>City Manager - Office of Economic Development</p> | - | \$260,000 | - |
| <p>Transfers and Reimbursements (Water Utility Fund - Late Fees)</p> <p>This action increases the revenue estimate for Transfers and Reimbursements by \$185,530 to reflect additional Late Fee revenue received in 2018-2019 in the Water Utility Fund. Late fee revenues in the Water Utility Fund are an unrestricted source of income for the City and are therefore transferred each year to the General Fund. A corresponding increase to the Transfer to the General Fund - Late Fees appropriation in the Water Utility Fund is recommending elsewhere in this report.</p> | <p>Environmental Services Department</p> | - | - | \$185,530 |
| <p>Insurance Premiums</p> <p>This action increases the Insurance Premiums appropriation by \$185,000, from \$769,367 to \$954,367, to purchase a cyber liability insurance policy to mitigate potential liability and loss exposures resulting from the City's electronic data and commercial activities. Acquisition of cyber liability insurance coverage was recommended through the Finance Department's annual insurance renewal process, which analyzed the City's risk exposures, insurance market trends, product availability, and historical approach to insuring for losses.</p> | <p>Finance Department</p> | - | \$185,000 | - |

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| Fire Training Center Relocation | Fire Department | - | \$3,500,000 | - |

This action establishes the Fire Training Center Relocation appropriation to the Fire Department in the amount of \$3.5 million. This action provides design funding for the relocation of the Fire Training Center from its current location in the Diridon Station Area to the City Central Service Yard at Senter Road. The existing Fire Training Center property was sold to Google on June 6, 2019; expected turnover of property to Google will be June 2022. A corresponding decrease to the Fire Training Center Replacement Reserve, which received initial net sale proceeds of \$36.8 million, is recommended elsewhere in this report for a net-zero impact to the General Fund.

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| Fire Training Center Replacement Reserve | Fire Department | - | (\$3,500,000) | - |
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This action decreases the Fire Training Center Replacement Reserve by \$3.5 million, from \$36.8 million to \$33.3 million, to offset the establishment of the Fire Training Center Relocation appropriation as described elsewhere in this report.

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| Non-Personal/Equipment (Reallocation from Personal Services for Contracted Nurse Practitioner) | Human Resources Department | - | \$78,000 | - |
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This action increases the Human Resources' Non-Personal/Equipment appropriation by \$78,000 to reallocate funds from its Personal Services appropriation to support a temporary Nurse Practitioner position. This position has been vacant since March 2018. The Human Resource Department has been using a temporary staffing agency to provide the necessary services of this position. A review of this classification will be performed this year to understand the reason for the ongoing vacancy. A corresponding decrease to the Human Resources' Personal Services appropriation is recommended elsewhere in this report for a net-zero impact to the General Fund.

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| Personal Services (Reallocation to Non-Personal/Equipment for Contracted Nurse Practitioner) | Human Resources Department | - | (\$78,000) | - |
| <p>This action decreases the Human Resources' Personal Services appropriation by \$78,000 to reallocate funds to the Human Resources Non-Personal/Equipment appropriation to support a temporary Nurse Practitioner position provided by a temporary staffing agency. A corresponding increase to the Human Resources' Non-Personal/Equipment appropriation is recommended elsewhere in this report.</p> | | | | |
| 3-1-1 Call Transition Reserve | Information Technology Department | - | \$250,000 | - |
| <p>This action establishes the 3-1-1 Call Transition Reserve to set aside \$250,000 for potential funding needs associated with the transition of non-emergency call handling from Police Communications to the City Customer Contact Center and after-hours service managed by the Information Technology Department. The 2019-2020 Adopted Operating Budget added 3.0 positions to the Customer Contact Center for the transition anticipated later this year, as well as contractual services to study the number and types of 3-1-1 and public safety calls to transition to the Customer Contact Center. This recommended action helps ensure that sufficient services are available for the transition by addressing any additional needs identified by the study or to deal with higher than anticipated call volumes.</p> | | | | |
| Non-Personal/Equipment (IT Project Management) | Information Technology Department | - | \$1,000,000 | - |
| <p>As directed by the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the Information Technology Department's Non-Personal/Equipment appropriation by \$1.0 million (from \$13.1 million to \$14.1 million) for product and project management scaffolding. These resources will provide specialized expertise, business analysis, process tools, and other support required to better reach success in City technology projects.</p> | | | | |

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| <p>Personal Services (IT Project Management Staffing)</p> <p>As directed by the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the Information Technology Department's Personal Services appropriation by \$900,000 (from \$14.6 million to \$15.5 million) to add 6.0 Enterprise Supervising Technology Analyst positions ongoing to provide additional product-project management support and capacity. The positions will manage priority work city-wide, ensuring that planning, implementation, monitoring, and reporting, and operationalization occur to maximize the success of City technology initiatives. Based on the City's priorities, the portfolios the positions will manage will include emergency management technologies, development services transformation, data governance and business analytics, mobile and wireless communications, business process improvement and automation, and Internet-of-Things platforms and services.</p> | Information Technology Department | 6.00 | \$900,000 | - |
| <p>Non-Personal/Equipment (San José State University Agreement - IT Baseline Costs)</p> <p>This action increases the Library Department's Non-Personal/Equipment appropriation by \$485,000, from 5,899,057 to 6,384,057, to fund the payment of Information Technology (IT) baseline services invoice from 2017-2018 for the cost-share agreement with San José State University (SJSU). The IT baseline service is one of the costs associated with the operating agreement between San José State University and the City of San José for the Dr. Martin Luther King Jr. Library to support computer, video, telephone, and data services provided to the Library employees located at the Dr. Martin Luther King Jr. Library. Throughout 2018-2019, the Library Department engaged with SJSU related to the IT baseline cost and agreed on an updated shared obligation cost. It should be noted that the updated IT baseline services operating costs of \$287,000 are fully funded in the existing 2019-2020 department budget.</p> | Library Department | - | \$485,000 | - |

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| <p>Council District #10</p> <p>This action decreases the appropriation to Council District #10 by \$24,469, from \$949,958 to \$925,489, to reflect the Councilmember's waiver of a salary increase as set by the Salary Setting Commission. The elective waiver sets the Councilmember's salary at \$100,531.</p> | Mayor & City Council | - | (\$24,469) | - |
| <p>Office of the Mayor</p> <p>The action decreases the appropriation to the Office of the Mayor by \$53,409, from \$5,699,124 to \$5,645,715, to reflect the Mayor's waiver of a salary increase as set by the Salary Setting Commission. This elective waiver sets the Mayor's salary at \$132,612.</p> | Mayor & City Council | - | (\$53,409) | - |
| <p>Budget Stabilization Reserve</p> <p>This action increases the Budget Stabilization Reserve by \$5.0 million, from \$27.0 million to \$32.0 million, in accordance with City Council Policy 1-18 to maintain an adequate reserve level to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. The Budget Stabilization Reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This action along with the action to increase the Contingency Reserve, maintains the level of General Purpose Reserves (the sum of the Budget Stabilization Reserve, the Contingency Reserve, and the Worker's Compensation General Liability Catastrophic Reserve) at 6.5% of General Fund operating expenditures, which is consistent with the level included in the 2019-2020 Proposed Operating Budget and consistent with the strategy identified in the Mayor's Budget Addendum #25, "General Fund Reserve Target Levels".</p> | Office of the City Manager | - | \$5,000,000 | - |
| <p>Contingency Reserve</p> <p>This action increases the Contingency Reserve by \$1.5 million, from \$38.5 million to \$40.0 million, to comply with City Council Policy 1-18 to reserve a minimum of 3% of the General Fund operating budget to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. This reserve level is sufficient to cover General Fund payroll expenditures for a couple of weeks in the event of an emergency.</p> | Office of the City Manager | - | \$1,500,000 | - |

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| Local Sales Tax - My San José 2.0 This action increases Local Sales Tax - My San José 2.0 appropriation by \$70,000, from \$1,384,000 to \$1,454,000, to adjust for expenses inadvertently charged in 2018-2019. These expenses should have been charged to the Office of the City Manager's Non-personal/Equipment appropriation. This corrective action restores the proper funding level for this project. | Office of the City Manager | - | \$70,000 | - |
| Childcare Facilities and Training (Gardner Preschool) This action decreases the Childcare Facilities and Training City-Wide appropriation by \$62,000 from \$212,000 to \$150,000. As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by City Council, funding for this action to expand childcare facilities at Gardner Community Center was erroneously added to the City-Wide Expenses category. This funding should have been allocated to Parks, Recreation and Neighborhood Services Fee Activities. A corresponding increase to Fee Activities is recommended elsewhere in this report. | Parks, Recreation and Neighborhood Services Department | - | (\$62,000) | - |
| Personal Services (Arcadia Softball Sports Complex Staffing Correction) This action adds 2.75 Recreation Leader PT unbenefited positions in the Parks, Recreation and Neighborhood Services Department to provide staff support for the anticipated opening of the Arcadia Softball Sports Complex. The addition of these positions were approved as part of the 2018-2019 Adopted Budget with an effective date of July 1, 2019; however, during the development of the 2019-2020 Adopted Budget, these positions were inadvertently omitted. This action aligns the position count and budget with the expectation set in the 2018-2019 Adopted Budget. | Parks, Recreation and Neighborhood Services Department | 2.75 | \$105,709 | - |

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| <p>Personal Services (Parks Rehabilitation Strike and Capital Infrastructure Team Staffing Correction)</p> <p>This action deletes 1.0 Senior Geographic Information Systems Specialist, 1.0 Senior Maintenance Worker, 1.0 Park Maintenance Repair Worker II, 1.0 Office Specialist II, 2.0 Maintenance Assistant, and 2.0 Groundworker positions in the Parks, Recreation and Neighborhood Services Department. These positions support the Parks Rehabilitation Strike and Capital Infrastructure Team and were inadvertently added and are duplicated positions as existing positions to support the team were already included in the 2019-2020 Adopted Budget. These deletions will have no service level impact and will correct the Parks, Recreation and Neighborhood Services Department's position count.</p> | Parks, Recreation and Neighborhood Services Department | -8.00 | - | - |
| <p>Transfer to the Edward Byrne Memorial Justice Assistance Grant Trust Fund</p> <p>This action establishes a Transfer to the Edward Byrne Memorial Justice Assistance Grant Trust Fund. Because expenses were inadvertently charged to the Edward Byrne Memorial Justice Assistance Grant Trust Fund, it caused the fund to have a negative 2019-2020 Beginning Fund Balance. This action will provide funding to bring the fund's Beginning Fund Balance positive.</p> | Police Department | - | \$409 | - |

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| Emergency Power Generation for City Facilities | Public Works Department | - | \$5,000,000 | - |

This action establishes one-time funding of \$5.0 million to procure and install equipment to support the sustained operations of critical City facilities in the event of a planned or unplanned electrical power outage, as 32 critical City facilities do not have adequate levels of back-up electricity generation and would cease to function in the event of an outage. General Fund resources are also allocated to supply generators to fueling stations at the West Corporation Yard and the Police Substation, which currently do not have generators and are necessary for refueling emergency vehicles in the event of an outage, as well as for the procurement of two high capacity fuel storage trucks to provide needed service coverage and minimize generator downtime. Pacific Gas and Electric (PG&E) should be responsible for provision of back-up power generation or reimburse the City for expenses incurred to undertake mitigation measures for power generation according to California Public Utilities Commission (CPUC) guidance and rulemaking regarding Utility Public Safety Power Shutoff Programs. However, until the City receives the commitment from PG&E and due to the critical nature of these improvements, the City will advance this funding to ensure power generation is available in the event of an outage. Additional funding of \$600,000 is recommended from the Sewer Service and Use Charge Capital Fund (\$500,000) for back-up electricity generation at 6 sanitary sewer pump stations, and from the San José-Santa Clara Treatment Plant Capital Fund (\$100,000) for the fueling island at the Regional Wastewater Facility.

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| Mexican Heritage Plaza Capital Maintenance | Public Works Department | - | \$50,000 | - |
| <p>This action increases the Mexican Heritage Plaza Capital Maintenance appropriation to the Public Works Department by \$50,000, from \$50,000 to \$100,000 to align with the agreement with the School of Arts and Culture at the Mexican Heritage Plaza. The agreement includes provisions for a net increase of funding beginning in 2019-2020 of \$25,000 that includes an increase to the Capital Maintenance appropriation by \$50,000, partially offset by a reduction to the Mexican Heritage Plaza Maintenance and Operations appropriation described elsewhere. These allocations were not correctly represented in the 2019-2020 Adopted Budget. The total annual appropriation for Capital Repairs and Capital Replacements will be \$100,000 for 2019-2020. This action is recommended to be funded by the reallocation of funding from the Mexican Heritage Plaza Maintenance and Operations appropriation (\$25,000) and the General Fund (\$25,000). Corresponding decreases are recommended elsewhere in this report to offset this action.</p> | | | | |

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| Mexican Heritage Plaza Maintenance and Operations (Cultural Facilities Operations Support) | Public Works Department | - | \$13,500 | - |
| <p>As directed in the Mayor's June Budget Message for Fiscal Year 2019-2020, as approved by the City Council, this action increases the annual operational support to the Mexican Heritage Plaza by \$13,500. Additional actions recommended in this report increase the annual operational support to the major cultural organizations operating City facilities by a total of \$400,000 - the Tech Interactive (\$260,000), San José Museum of Art (\$50,000), Children's Discovery Museum (\$46,000), Hammer Theatre Center (\$30,000), and Escuela de Artes y Cultura at the Mexican Heritage Plaza (\$13,500) - that sustained large reductions in operational support during the Great Recession. These actions restore previously reduced funding, and funding allocations in future years will align with inflation.</p> | | | | |

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| <p>Mexican Heritage Plaza Maintenance and Operations</p> <p>This action decreases the Mexican Heritage Plaza Maintenance and Operations appropriation to the Public Works Department by \$25,000, from \$450,000 to \$425,000. This action is in accordance with year six of the Maintenance and Operations Agreement, which states that the operations payments will be reduced by \$25,000 and reallocated for capital repairs and capital replacements. This allocation was not correctly captured in the 2019-2020 Adopted Budget. A corresponding increase to the Mexican Heritage Plaza Capital Maintenance appropriation is recommended elsewhere in the report to offset this action.</p> | Public Works Department | - | (\$25,000) | - |
| <p>Non-Personal/Equipment (Community Facilities District No. 8)</p> <p>This action increases Public Works' Non-Personal/Equipment appropriation by \$30,000 to fund election costs for Community Facilities District No. 8, which serves the Communications Hill residents. This item was previously approved in the Mayor's June Budget Message for Fiscal Year 2018-2019, but the work was not completed. With this recommendation the Department expects the election to be held by January 09, 2020. Essential Services Reserve to conduct the election for residents to decide on landscaping and enhanced security services to their neighborhoods. Funding is eligible to reimbursement by the District with a successful election.</p> | Public Works Department | - | \$30,000 | - |

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| <p>Non-Personal/Equipment (Labor Compliance System)</p> <p>This action increases the Public Works' Non-Personal/Equipment appropriation by \$50,000 to fund the subscription of a software solution, server costs, and system configurations for the Office of Equality Assurance. The software product is a response to the Increased Workload Warrants Reevaluation of Resource Needs audit report. The product will allow contractors to submit electronic versions of documents that can be data-sorted for reporting on Local Hire, Targeted Hire, and Private Workforce Standards. The evaluation of any ongoing costs associated with the software subscription will be evaluated during the 2020-2021 Base Budget development. A corresponding decrease to the Office of Equality Assurance Labor Compliance System Reserve is recommended elsewhere in this report.</p> | Public Works Department | - | \$50,000 | - |
| <p>Office of Equality Assurance Labor Compliance System Reserve</p> <p>This action eliminates the Office of Equality Assurance Labor Compliance System Reserve to fund Personal Services (\$150,000) and Non-Personal/Equipment (\$50,000) costs for the Office of Equality Assurance: to facilitate the implementation of automated labor compliance system that will allow contractors to submit electronic versions of documents that can be data-sorted for reporting on Local Hire, Targeted Hire, and Private Workforce Standards. The Personal Services adjustment will allow for temporary staffing resources to assist with initial implementation while the Non-Personal/Equipment adjustment will fund the initial subscription cost of the platform, server costs, and system configurations. Corresponding actions to add funding to the Public Works Personal Services and Non-Personal/Equipment appropriations are recommended elsewhere in this report.</p> | Public Works Department | - | (\$200,000) | - |

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| <p>Personal Services (Measure T Staffing Correction)</p> <p>This action increases the Public Works' Personal Services appropriation by \$126,988, to correct position allocation costs for the Public Safety and Infrastructure Bond Fund (Measure T) that were incorrectly allocated to the Public Works Development Fee Program. Corresponding adjustments to decrease the Public Works Development Fee Program – Personal Services appropriation and increase the Public Works Development Fee Program Reserve are recommended elsewhere in this report.</p> | Public Works Department | - | \$126,988 | - |
| <p>Personal Services (Office of Equality Assurance Labor Compliance System)</p> <p>This action increases Public Works Department's Personal Services appropriation by \$150,000, for temporary staffing resources in the Office of Equality Assurance to facilitate the implementation of an automated labor compliance system that will allow contractors to submit electronic versions of documents that can be data-sorted for reporting on Local Hire, Targeted Hire, and Private Workforce Standards. The temporary staffing assistance will also provide related support in assisting the Office in development, implementation, and administration of Council Priority #1- Local Hire Policy, Council Priority #3- Disadvantage Business Enterprises, Council Priority #16- Wage Theft Ordinance Update, and Project Labor Agreements. A corresponding decrease to the Office of Equality Assurance Labor Compliance System Reserve is recommended elsewhere in this report.</p> | Public Works Department | - | \$150,000 | - |
| <p>Non-Personal Equipment (Reallocation from Personal Services for Electrical Services Support)</p> <p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$450,000 for contracted shift coverage for electrical services. Due to a significant number of Electrician vacancies in the Department, in-house staff are not available to cover mandatory graveyard and weekend on-call shifts to address emergency and safety electrical issues, such as signal outages or critical repair and/or removal of equipment damaged in a crash. A corresponding decrease to the Transportation Department's Personal Services appropriation is recommended elsewhere in this report.</p> | Transportation Department | - | \$450,000 | - |

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| Personal Services (Reallocation to Non-Personal/Equipment for Electrical Services Support) | Transportation Department | - | (\$450,000) | - |

This action decreases the Transportation Department's Personal Services appropriation by \$450,000 and reallocates funding to the Department's Non-Personal/Equipment appropriation for contracted shift coverage of electrical services. Due to a significant number of Electrician vacancies in the Department, in-house staff are not available to cover mandatory graveyard and weekend on-call shifts to address emergency and safety electrical issues, such as signal outages or critical repair and/or removal of equipment damaged in a crash.

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| Transfer to the Building and Structure Construction Tax Fund (North San José BCP) | Transportation Department | - | \$371,452 | - |
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This action transfers \$371,452 from the General Fund to the Building and Structure Construction Tax Fund. The Mayor's June Budget Message for Fiscal Year 2014-2015, as approved by the City Council (Manager's Budget Addendum #8), dedicated sales tax collections from North San José construction activity as part of the Business Cooperation Program toward unfunded transportation needs in North San José. To date, one company in the North San José Policy Area has participated in the Business Cooperation Program for a new construction project, resulting in the City receiving \$371,452 of sales tax revenue to be set aside according to this policy direction. The North San José New Development (BCP) Reserve is recommended to be established in the Building and Structure Construction Tax Fund, which maintains similar reserves in accordance with Manager's Budget Addendum #8 to offset this action.

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| Required Technical-Rebalancing Actions | 0.75 | \$20,809,680 | \$185,530 |
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| Grants- Reimbursements -Fees | Diridon Station Area Development Planning - Post Application/Other Revenue | City Manager - Office of Economic Development | - | \$1,000,000 | \$1,000,500 |
| | <p>This action establishes the Diridon Station Area Development Planning – Post Application City-Wide appropriation to the Office of Economic Development in the amount of \$1.0 million. This funding supports the post-application development work conducted by the Transportation and Public Works Departments that includes transportation and construction permit planning and traffic mitigation plan. This action is offset by reimbursements from Google.</p> | | | | |
| | Fire Development Fee Program - Non-Personal/Equipment (Peak Staffing) | Fire Department | - | \$370,000 | - |
| <p>This action increases the Fire Development Fee Program – Non-Personal/Equipment appropriation by \$370,000 for peak staff contractual services to address Development Services plan check review backlog. A corresponding action to decrease to the Fire Development Fee Program Reserve is recommended elsewhere in this report for a net-zero impact to the General Fund.</p> | | | | | |
| | Fire Development Fee Program Reserve | Fire Department | - | (\$370,000) | - |
| <p>This action decreases the Fire Development Fee Program Reserve by \$370,000 for peak staff contractual services to address Development Services plan check review backlog. A corresponding action to increase the Fire Development Fee Program - Non-Personal/Equipment appropriation is recommended elsewhere in this report.</p> | | | | | |
| | Library Grants/Other Revenue (Career Vision Workshops Grant) | Library Department | - | \$2,015 | \$2,015 |
| <p>This action increases the Library Grants appropriation to the Library Department and the estimate for Other Revenue by \$2,015 to recognize the Career Vision Workshops grant. This funding supports the Career Vision Workshop in the San José Public Library, which allows community to support job seekers in finding new opportunities in a career of their choice. In addition, funding provides resources to enhance the job seekers skills to pursue their career.</p> | | | | | |

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| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|--|-------------------------|------------------|-------------------------------|---------------------------|
| Library Grants/Revenue from State of California (California Library Literacy Services Grant) | Library Department | - | \$18,000 | \$18,000 |
| <p>This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$18,000 to recognize the receipt of a California Library Literacy Services grant. This funding will allow for the purchase of books, materials, and computer software as well as support the Adult Literacy and Families for Literacy program. The Families for Literacy program helps adults increase their basic literacy skills and address the literacy needs of their young children.</p> | | | | |
| Library Grants/Revenue from State of California (California Library Literacy Services Grant) | Library Department | - | \$70,000 | \$70,000 |
| <p>This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$70,000 to recognize the receipt of a California Library Literacy Services grant. This grant funding will support family literacy programming for English-speaking adults and their families in the community. The program assists adults in increasing their basic literacy skills and addresses the literacy needs.</p> | | | | |
| Library Grants/Revenue from State of California (First Five Santa Clara County Grant) | Library Department | - | \$72,990 | \$72,990 |
| <p>This action increases the Library Grants appropriation to the Library Department and the estimate for Revenue from State of California by \$72,990 to recognize the First Five Santa Clara County grant. This funding will support the healthy development of children, from prenatal through age 5, who are ready to succeed in school and achieve their full potential.</p> | | | | |
| Council District #02/Other Revenue (Special Event Sponsorship) | Mayor & City Council | - | \$4,850 | \$4,850 |
| <p>This action increases the Council District #02 appropriation and the corresponding estimate for Other Revenue by \$4,850 to allocate revenue received from various business and individuals. This funding will support events co-sponsored by Council District #02, including the Viva Parks event.</p> | | | | |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|----------------------|------------------|-------------------------------|---------------------------|
| Council District #05/Other Revenue (Special Event Sponsorship) | Mayor & City Council | - | \$1,000 | \$1,000 |
| <p>This action increases the Council District #05 appropriation and the corresponding estimate for Other Revenue by \$1,000 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District #05, including the 2019 National Night Out event.</p> | | | | |
| Council District #09/Other Revenue (Special Event Sponsorship) | Mayor & City Council | - | \$25,500 | \$25,500 |
| <p>This action increases the Council District #09 appropriation and the corresponding estimate for Other Revenue by \$25,500 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District #09, including the Celebrate Cambrian event.</p> | | | | |
| Council District #10/Other Revenue (Special Event Sponsorship) | Mayor & City Council | - | \$475 | \$475 |
| <p>This action increases the Council District #10 appropriation and the corresponding estimate for Other Revenue by \$475 to allocate revenue received from various businesses and individuals. This funding will support events including the PTSD Awareness Day.</p> | | | | |
| Office of the Mayor/Other Revenue (Special Event Sponsorship) | Mayor & City Council | - | \$132,500 | \$132,500 |
| <p>This action increases the Office of the Mayor appropriation and the corresponding estimate for Other Revenue by \$132,500 to recognize revenue received from grants. Grants were received from: Harvard University (\$50,000) to partially support the cost of an Innovation Policy Advisor position; Encore.org (\$62,500) for placement of four fellows working on the Mayor's initiatives; and the Silicon Valley Community Foundation (\$20,000) for the implementation of IPA's Community Trust in Law Enforcement.</p> | | | | |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|--|------------------|---------------------------|-----------------------|
| <p>After School Education & Safety Program/Revenue from Local Agencies</p> <p>This action establishes an After School Education and Safety Programs for 2019-2020 appropriation to the Parks, Recreation and Neighborhood Services Department and corresponding estimate for Revenue from Local Agencies in the amount of \$431,064. This grant funding will support after school education and safety programs by providing supplies and materials for the after school programming and staff time at the Berryessa Union School District (\$106,257), Alum Rock Union Elementary School District (\$103,171), ACE Charter School Empower Academy (\$100,402), and ACE Charter School Franklin McKinley (\$121,234) for the 2019-2020 school year. The After School Education and Safety Program supports local after school education and enrichment programs by providing literacy, academic enrichment, and constructive alternatives for students in kindergarten through ninth grade.</p> | Parks, Recreation and Neighborhood Services Department | - | \$431,064 | \$431,064 |
| <p>BeautifulSJ Grants/Other Revenue</p> <p>This action increases the BeautifulSJ Grants appropriation and the corresponding estimate for Other Revenue by \$27,183. Unallocated grant funds from the 2018-2019 grant cycle were returned from the Fiscal Agent. This action allows these funds to be available for future BeautifulSJ grants.</p> | Parks, Recreation and Neighborhood Services Department | - | \$27,183 | \$27,183 |
| <p>Fee Activities/Fees, Rates, and Charges (Gardner Preschool)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department's Fee Activities appropriation by \$212,000 (from \$12,270,099 to \$12,482,099) and increases Fees, Rates, and Charges Revenue by \$150,000. As directed in the Mayor's June Budget Message for 2019-2020, as approved by City Council, this action added funding in the Adopted Budget to expand childcare facilities at Gardner Community Center. Funding was erroneously added to establish a new appropriation in the City-Wide Expenses category. This action shifts funding from City-Wide Expenses into Fee Activities. A corresponding action to decrease the City-Wide Expenses appropriation is recommended elsewhere in this report.</p> | Parks, Recreation and Neighborhood Services Department | - | \$212,000 | \$150,000 |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|--|------------------|---------------------------|-----------------------|
| <p>Non-Personal Equipment/Other Revenue (Healthy Aging San José)</p> <p>This action establishes a Healthy Aging San José appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$25,000 and corresponding estimate for Other Revenue in the amount of \$44,408. The term of the grant is from July 01, 2019 to June 30, 2020. This grant aims to improve the long-term health and wellness outcomes of older adults, 50+ years, and their caregivers by strengthening their community connections, support system, and peer-to-peer relationships, as well as increase their overall knowledge of effective health management techniques, and other aging/health-related topics. Healthy Aging San José will be offered at six City of San José operated community centers in East and Central San José.</p> | Parks, Recreation and Neighborhood Services Department | - | \$25,168 | \$44,408 |
| <p>Revenue from Local Agencies (BHSD Grant for Therapeutics)</p> <p>This action increases the Revenues from Local Agencies in the amount of \$309,000 for the Santa Clara County Behavioral Health Services Department Grant for Therapeutics Program. The term of this grant is July 1, 2019 through June 30, 2020. This program will provide structured and unstructured therapeutic recreational activities and counseling support groups focusing on maintaining the stability of participants' mental health and social lives to increase their community tenure and to significantly reduce their need for hospitalization or a higher level of care.</p> | Parks, Recreation and Neighborhood Services Department | - | - | \$309,000 |
| <p>Summer Youth Nutrition Program/Revenue from Federal Government</p> <p>This action increases the Summer Youth Nutrition Program City-Wide appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from Federal Government by \$71,466 to reflect grant funding from the Summer Food Service Program. This program, administered by the California Department of Education Nutrition Services Division, provides lunches and snacks to qualifying youth during the summer at Bascom, Mayfair, Roosevelt, and Seven Trees Community Centers.</p> | Parks, Recreation and Neighborhood Services Department | - | \$71,466 | \$71,466 |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|--|------------------|---------------------------|-----------------------|
| <p>Valley Water District Grant/Revenue from Local Agencies</p> <p>This action establishes a Valley Water District Grant appropriation to the Parks, Recreation and Neighborhood Services Department and increases the estimate for Revenue from Local Agencies in the amount of \$130,000. The total grant award amount is \$200,000, of which \$130,000 is allocated in 2019-2020 and the remaining \$70,000 will be appropriated in 2020-2021. The term of the grant is from June 27, 2019 to December 31, 2020. This grant funding will support litter/trash and encampment abatement efforts in Council District 7.</p> | Parks, Recreation and Neighborhood Services Department | - | \$130,000 | \$130,000 |
| <p>Youth Reinvestment Grant/Revenue from State of California</p> <p>This action establishes a Youth Reinvestment Grant appropriation to the Parks, Recreation and Neighborhood Services Department for \$300,000 and increases the estimate for Revenue from the State of California in the amount of \$340,000. The total award of the grant is \$1.0 million. The grant covers 2019-2020, 2020-2021, and 2021-2022. This program will fund community-based organizations that provide juvenile justice diversion programming. This grant aims to mediate targeted youth high risk behaviors, increase their school success and bonding, strengthen their personal and social life skills and prosocial lifestyle, provide Family Support and Education Services to youth families in need, and in turn reduce the disproportionate over-representation of Hispanics youth in the juvenile justice system.</p> | Parks, Recreation and Neighborhood Services Department | - | \$300,000 | \$340,000 |
| <p>Non-Personal/Equipment (National Trust for Historic Preservation)</p> <p>This action increases the Planning, Building, and Code Enforcement Department's Non-Personal/Equipment appropriation by \$5,000 for Historic Preservation. In 2018-2019 the City received a \$5,000 grant for the Citywide Historic Context Statement Project activities to be used for consultant services related to the Citywide Historic Resources Survey.</p> | Planning, Building and Code Enforcement Department | - | \$5,000 | - |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|--|-------------------|------------------|---------------------------|-----------------------|
| Internet Crimes Against Children Task Force Invited Awards/Revenue from Federal Government | Police Department | - | \$558,585 | \$558,585 |

This action increases the Internet Crimes Against Children Task Force Invited Awards appropriation to the Police Department and the estimate for Revenue from Federal Government in the amount of \$558,585 to recognize additional grant funding from the by the U.S. Department of Justice for activities related to increasing investigation and prosecution of internet crimes against children offenses and to increase public awareness of the issue. The Program will continue its work to conduct proactive and reactive investigations into computer technology crimes perpetrated against children throughout its geographic service area. The grant term extension period is extends from September 30, 2019 to September 30, 2020.

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| Selective Traffic Enforcement Program 2019-2020/Revenue from State of California | Police Department | - | \$250,000 | \$250,000 |
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This action establishes the Selective Traffic Enforcement Program 2019-2020 appropriation to the Police Department and increases the estimate for Revenue from State of California to recognize grant funding from the State of California Office of Traffic Safety in the amount of \$250,000. This grant primarily funds Police Officer overtime to conduct targeted driving under the influence (DUI) checkpoints and patrols as well as conduct distracted driving, motorcycle safety, click it or ticket, and pedestrian/bicycle enforcement operations during the term of the grant (October 1, 2019 through September 30, 2020).

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| Public Works Development Fee Program - Personal Services (Measure T Staffing Correction) | Public Works Department | - | (\$126,988) | - |
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This action decreases the Public Works Development Fee Program – Personal Services appropriation by \$126,988, from \$10,682,130 to \$10,555,142, to correct position allocation costs for Measure T that were inadvertently allocated to the Public Works Development Fee Program. Corresponding increases to the Public Works Development Fee Program Reserve and the Public Works Personal Services appropriation in the General Fund are recommended elsewhere in this report.

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|-------------------------|------------------|---------------------------|-----------------------|
| Public Works Development Fee Program – Small Cell Permitting Reserve (Small Cell Staffing Correction) | Public Works Department | - | (\$88,042) | - |

This action decreases the Public Works Development Fee Program – Small Cell Permitting Reserve by \$88,042, from \$374,189 to \$286,147, to accurately reflect the impact to the Small Cell Permitting Reserve. A portion of Small Cell Permitting costs were incorrectly charged to the Development Fee Program in 2018-2019 instead of the Small Cell Permitting Program. As a result, the Small Cell Permitting Reserve is overstated by these missing costs. This action realigns the Small Cell Reserve with actual expenditures. A corresponding action to increase the Public Works Development Fee Program Reserve is recommended elsewhere in this report.

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| Public Works Development Fee Program Reserve (Landscape Services) | Public Works Department | - | (\$35,295) | - |
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This action decreases the Public Works Development Fee Program Reserve by \$35,295, to reallocate funds to the Transportation Department to complete landscaping enhancements to the Almaden soundwall. Funding was received in October 2018 from PG&E and allocated to the Public Works Development Fee Program for restoration of the Almaden soundwall (Council District 10). Public Works completed the physical soundwall restoration in 2018-2019. The remaining funds will be used by the Transportation Department to perform the final phase of the restoration project. A corresponding adjustment to the Transportation Department's Non-Personal/Equipment appropriation is recommended elsewhere in this report.

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|--|-------------------------|---|-----------|---|
| Public Works Development Fee Program Reserve (Measure T Staffing Correction) | Public Works Department | - | \$126,988 | - |
|--|-------------------------|---|-----------|---|

This action increases the Public Works Development Fee Program Reserve by \$126,988, to correct position allocation costs for Measure T that were incorrectly allocated to the Public Works Development Fee Program. Corresponding adjustments to decrease the Public Works Development Fee Program – Personal Services and increase the Public Works Personal Services appropriations are recommended elsewhere in this report.

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|-------------------------|------------------|---------------------------|-----------------------|
| Public Works Development Fee Program Reserve (Small Cell Staffing Correction) | Public Works Department | - | (\$391,306) | - |

This action decreases the Public Works Development Fee Program Reserve by a net \$391,306, to remove incorrect charges and budget in the Public Works Development Fee Program that should be attributed to the Small Cell Permitting program. A decrease of \$479,348 is due to the inadvertent budgeting of Small Cell position costs to the Public Works Development Fee Program and an increase of \$88,042 is to reimburse Small Cell Permitting program for costs incorrectly charged to the program in 2018-2019. A corresponding action to the Public Works Development Fee Program – Small Cell Permitting Reserve is recommended elsewhere in this report.

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| Non-Personal/Equipment (Almaden Soundwall Landscape Services) | Transportation Department | - | \$35,295 | - |
|---|---------------------------|---|----------|---|

This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$35,300 to complete landscaping enhancements to the Almaden Soundwall. PG&E provided funding for the Soundwall's restoration in October 2018 and the City received the funding within the Development Fee Program. As the physical restoration of the Sounwall performed by Public Works is complete, the remaining funding of \$35,300 is recommended for allocation to the transportation Department to perform the final landscape enhancements. A corresponding decrease to the Public Works Development Fee Program reserve is recommended elsewhere in this report.

Grants-Reimbursements-Fees

\$2,858,448 \$3,639,536

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| | <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|---|---|------------------|-------------------------------|---------------------------|
| Urgent Fiscal- Program Needs | Community Plan to End Homelessness – Quality of Life and Healthy Neighborhoods | Office of the City Manager | - | \$1,500,000 | - |
| | <p>This action establishes a City-Wide appropriation in the amount of \$1.5 million to support inter-departmental efforts to operationalize a locally-tailored work-plan in support of Pillar 3 of the Community Plan to End Homelessness (Improving Quality of Life for Unsheltered Individuals and Creating Healthy Neighborhoods for All), and efforts to enhance service levels in pilot project areas, or where there are disproportionate impacts from unsheltered individuals.</p> | | | | |
| | Transfer to Municipal Golf Course Fund | Parks, Recreation and Neighborhood Services | - | \$2,300,000 | - |
| | <p>This action increases the transfer from the General Fund to the Municipal Golf Course Fund by \$2.3 million, from \$8.4 million to \$10.7 million, to pay down outstanding principal for debt related to the Los Lagos Golf Course. The direction provided in the Mayor's March and June Budget Messages for Fiscal Year 2019-2020, as approved by the City Council, prioritized the use of one-time resources to improve long-term fiscal sustainability by early retirement of debt obligations and allocated a total of \$6.2 million to both the elimination of Rancho Del Pueblo debt (\$3.4 million) and the early pay down of Los Lagos debt (\$2.8 million). The allocation of an additional \$2.3 million for Los Lagos debt pay down furthers this approach and, when combined with actions in the 2019-2020 Adopted Budget result in a cumulative annual debt service savings of approximately \$700,000 and shortens the debt retirement date by four years to 2026.</p> | | | | |
| | Non-Personal/Equipment (Guardian Rapid Response Program) | Police Department | - | \$550,000 | - |
| | <p>This action increases the Police Department's Non-Personal/Equipment appropriation by \$550,000 to purchase and equip nine patrol vehicles for the newly established Guardian Rapid Response Program. The Program will deploy officers in two-officer vehicles to respond to either active shooter threats at schools or special events. A corresponding action providing funding for overtime to staff this program can be found elsewhere in this report.</p> | | | | |

General Fund Recommended Budget Adjustments Summary 2018-2019 Annual Report

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Expenditure Change</u> | <u>Revenue Change</u> |
|---|----------------------------|------------------|-------------------------------|---------------------------|
| <p>Personal Services (Guardian Rapid Response Program)</p> <p>This action increases the Police Department's Personal Services appropriation by \$3.0 million for overtime costs to implement the Guardian Rapid Response Program to enhance the City's ability to swiftly and effectively respond to active shooter incidents. The new Guardian program has two components: schools and special events. A corresponding action providing funding for vehicles for this program can be found elsewhere in this report.</p> <p>The primary goal of the Guardian Rapid Response Schools Program totaling \$3.0 million is to increase the Department's state of readiness for an active shooter attack as well as to provide a focused effort on enhancing the safety of all school campuses in the City of San José. This encompasses deployment of officers in two-officer vehicles and fulfill the dual roles of immediate active shooter response and strategic school campus safety patrols. Each Guardian School Team will remain available in its pre-designated zone to immediately respond to an active shooter threats.</p> <p>The Guardian Rapid Response Special Events Program totaling \$500,000 is intended to better equip the Department for swift and effective response to active shooters and other life-threatening incidents at major events in the City of San José. The program may deploy officers in the event of a known threat or an anticipated unusually large crowd size.</p> | Police Department | - | \$3,000,000 | - |
| <p>City Facilities Safety Assessment</p> <p>This action establishes the City Facilities Safety Assessment appropriation in the General Fund in the amount of \$200,000 to conduct a security evaluation and threat assessment consistent with Homeland Security Best Practices for Antiterrorism (BPATs), which will inform the development of potential security and operational improvements to protect City-owned facilities, and the community, and employees who use them. The assessment is anticipated to complete in 2019-2020. A separate allocation of \$207,000 in the Convention and Cultural Facilities Fund supports activities related to the San José McEnery Convention Center and various cultural facilities.</p> | Public Works Department | - | \$200,000 | - |
| Urgent Fiscal-Program Needs | | | \$7,550,000 | - |

Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

Airport Fiscal Agent Fund (525)

| <u>Action</u> | <u>Department</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|---|--------------------|------------------|------------|---------------|
| Transfer to the Airport Revenue Fund (Fiscal Agent Funds Release) | Airport Department | | \$850,000 | |

This action increases the Transfer to the Airport Revenue Fund by \$850,000, from \$150,000 to \$1.0 million. This increase releases interest not required for debt service and transfers these funds from the Airport Fiscal Agent Fund to the Airport Revenue Fund. The Airport Fiscal Agent manages the funds and reserves required for bond debt coverage and payments. When a reserve or funds reach/exceed their required purpose or timing, the Fiscal Agent releases the funds to be returned to general Airport Revenue. Corresponding adjustments in the Airport Revenue Fund and to the Debt Service Reserve are recommended elsewhere in this report.

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| Debt Service Reserve (Fiscal Agent Funds Release) | Airport Department | | (\$850,000) | |
|---|--------------------|--|-------------|--|

This action decreases the Transfer to the Debt Service Reserve by \$850,000, from \$83.9 million to \$83.0 million, to reflect released interest funding not required for debt service. This action allows for the transfer of these funds from the Airport Fiscal Agent Fund to the Airport Revenue Fund. The Airport Fiscal Agent manages the funds and reserves required for bond debt coverage and payments. When a reserve or funds reach/exceed their required purpose or timing, the Fiscal Agent releases the funds to be returned to general Airport Revenue. Corresponding adjustments in the Airport Revenue Fund and in this fund are recommended elsewhere in this report.

Airport Fiscal Agent Fund (525)