



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Les White

**SUBJECT: FEBRUARY 22, 2007 STUDY SESSION –
BACKGROUND INFORMATION**

DATE: February 15, 2007

INFORMATION MEMORANDUM

OUTCOME

On February 22, 2007, the City Council will hold a study session on new initiatives and unfunded programs to provide input on the development of the Mayor's March Budget Message for Fiscal Year 2007-2008. To assist in this discussion, the Administration has developed background information to provide context to the many unfunded demands on the City's limited General Fund resources as well as to provide a history of major General Fund reductions experienced over the last five years.

BACKGROUND

At the direction of the Mayor, the annual budget process has been expanded to incorporate additional feedback from the community and City Council on budget priorities. As part of this process, the City Council is holding the February 22, 2007 Study Session on new initiatives and unfunded programs. The Administration has developed the following background information for use during the study session:

1. New and Unfunded General Fund Initiatives/Programs;
2. Unmet/Deferred Infrastructure and Maintenance Needs; and
3. 2002-2003 – 2006-2007 Major General Fund Reductions.

ANALYSIS

In order to provide context to the many unmet demands on City resources, the Administration has prepared a list of the most significant new and unfunded General Fund initiatives currently identified as high priority needs as well as re-issued a previously prepared list of unmet/deferred infrastructure and maintenance needs. In addition, as requested by Vice Mayor Cortese during the November 28, 2006 Budget Study Session, staff has compiled a list of the major General Fund reductions experienced over the last five years. When considering the impact of current unfunded needs and the cumulative impact of prior year reductions, the potential demands on the organization are staggering. These needs are being reviewed and considered at a time when the City is expecting to face, for the sixth year in a row, a General Fund shortfall in 2007-2008. As a reminder, based on the Preliminary 2008-2012 General Fund Forecast that was released in November, the estimated General Fund shortfall for 2007-2008 is \$19.8 million. The Administration will be issuing the final 2008-2012 General Fund Forecast at the end of February. The updated forecast is expected continue to project a funding gap in the General Fund for both the coming fiscal year as well as the four out years of the forecast period.

ANALYSIS (CONT'D.)

New and Unfunded General Fund Initiatives/Programs

As more thoroughly described in Attachment 1, the Administration has identified 13 new and unfunded General Fund initiatives and programs that address Council-generated requests, legal and/or technical requirements, critical needs identified by City staff, and requests made by other entities. These initiatives (summarized in Table 1 below) should not be considered a comprehensive listing of all General Fund needs, but rather a representative sampling of a number of high priority areas recently identified that require additional resources to proceed. The largest items include: the unfunded liability in the City's two retirement systems due to recent Government Accounting Standards Board changes (GASB 43/45) with a price tag of up to \$1.4 billion (\$98 million required on an annual basis); the Police Staffing Plan that identified the need for the addition of 597.5 positions and funding in excess of \$300 million over five years; potential funding gaps in General Obligation Bond Projects that could total up to \$18.2 million under the worst-case scenario; and a shortfall of \$7.9 million to remediate and restore Watson Park. Obviously, given the City's current financial situation, it would not be possible to fully fund these initiatives without significantly impacting and eliminating services provided by the City. It is also true, however, that the City Council will be forced to consider partial or full implementation of some of these items during the upcoming budget process given their critical nature. Any funding of new items, such as those on this list, should, however, be considered for funding only when evaluating potential investments of City resources to ensure that those investments are a higher priority.

**Table 1
 NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS**

Unfunded Initiative		Estimated Cost*
1.	GASB 43/45	\$98,000,000
2.	Police Staffing Plan	20,200,000
3.	General Obligation Bond Projects	18,200,000
4.	Watson Park	7,900,000
5.	City-wide Aquatics Plan	7,400,000
6.	Trees-Maintenance and Enforcement	3,850,000
7.	Open Government Initiatives/Reed Reforms	2,000,000
8.	Network Operations Center Back-Up Cooling	1,300,000
9.	Night Shift Custodial Services at City Hall	1,200,000
10.	Shopping Center Improvement Pilot Program	1,200,000
11.	General Plan Update	820,000
12.	Mexican Heritage Plaza	700,000
13.	Small Business Bonding Program	250,000
TOTAL		\$163,020,000

* Represents 2007-2008 costs to fully fund initiative on desired schedule, where possible.

ANALYSIS (CONT'D.)

Unmet/Deferred Infrastructure and Maintenance Needs

A report on unmet/deferred infrastructure and maintenance needs, which is included as Attachment 2, was previously released and discussed at the November 28, 2006 Council Study Session. It has been redistributed to remind us all of the preliminary estimates for the large variety of unfunded infrastructure and maintenance needs for those areas which, if addressed, the General Fund would have to be the sole or partial funding source. The total current needs have been estimated at approximately \$445 million, with an ongoing cost of approximately \$20-25 million. While these preliminary estimates continue to require further analysis, the figures are being provided as a rough indication of the size and breadth of the needs which have accumulated in almost every element of the City's infrastructure. As shown in Table 2 below, the unmet/deferred infrastructure and maintenance needs were broken down into those needs that are completely funded by the General Fund and those needs that have other potential funding sources that could offset a portion of the cost.

**Table 2
 UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS**

Infrastructure/Maintenance Area	Estimated Cost*
General Fund Needs	
1. Transportation Infrastructure	\$ 391,514,000
2. Information Technology Infrastructure	3,978,000
3. Vehicle/Equipment Replacement	3,025,000
4. General Services Maintenance	1,166,000
Subtotal of General Fund Needs	\$ 399,683,000
Potential Use of Other Funds to Partially Fund	
1. Parks Facilities	\$ 29,664,000
2. General Services Maintenance	11,670,000
3. Convention & Cultural Facilities*	4,290,000
Subtotal Potential Other Funding Sources	\$ 45,624,000
TOTAL	\$ 445,307,000

* Team San José assessment list is not comprehensive.

It should be noted that this analysis does not include the numerous other unmet/deferred infrastructure maintenance needs that exist in the City's various Special Fund programs (e.g., Airport, Water Pollution Control Plant, Sanitary and Storm Sewer Systems, Municipal Water System). Those needs are typically addressed in the capital and operating budgets for those activities. It should be noted, however, that substantial and increased needs have recently been identified for facilities such as the Water Pollution Control Plant and the Storm Sewer System that would require significant rate adjustments to fully fund the needed improvements. For instance, an infrastructure condition assessment prepared this year by a consultant for the Water Pollution Control Plant identified total needs of \$996.8 million, of which \$249.4 million was identified for critical replacements needed for the plant in the first five years.

ANALYSIS (CONT'D.)

2002-2003 – 2006-2007 Major General Fund Reductions

At the November 28, 2006 Study Session, Council Member Cortese requested a more comprehensive compilation of the major General Fund reductions that the City Council has approved over the last five years. The 2002-2003 Adopted Operating Budget was created under very challenging economic circumstances marked by the steepest revenue decline in the City’s recent history. The dual impacts of a recession and the events of September 11th dramatically altered the City’s fiscal landscape and resulted in significant reductions to public services beginning in 2002-2003 and each fiscal year since. In addition, subsequent to the City adopting its budget for 2003-2004 and 2004-2005, State budget actions were approved that resulted in additional shortfalls that necessitated a rebalancing of the General Fund through additional cutbacks in each of those two years. An inventory of these major General Fund budget reductions for this five-year period is included as Attachment 3 and totals \$69.2 million. This list does not reflect a prioritization of the most critical needs, but rather serves as a reminder of the vital public service reductions that have been injurious to our City that should be considered if any augmentations to the current budget are to be entertained. This inventory, which is organized by City Service Area and program area and displayed in the order of dollar impact (not priority order), includes a description of the expenditure reduction, the impact of the reduction on performance in the service area, and the year in which the reduction occurred. It is important to note that the value of the reductions reflects the costs in the year the reductions occurred and have not been updated for current year values.

Summarized in Table 3 by general category are the Major General Fund Reductions by City Service that have occurred since 2002-2003.

Table 3
MAJOR GENERAL FUND REDUCTIONS
(2002-2003 through 2006-2007)

City Service Area	General Fund Reductions*
Neighborhood Services	\$ 27,879,000
Strategic Support	15,390,000
Transportation & Aviation Services	11,675,000
Public Safety	10,343,000
Community and Economic Development	3,353,000
Environmental & Utility Services	609,000
TOTAL	\$69,249,000

* Reduction amounts are based on costs in the year the reduction occurred and have not been updated for current year values.

CONCLUSION

When considering the impacts of the unfunded items and the General Fund reductions experienced over the last several years, it is important to place these needs in context of the City’s current fiscal condition. The 2008-2012 Preliminary General Fund Five-Year Forecast that was released in November 2006 estimated a General Fund shortfall of \$19.8 million in 2007-2008. While the Five-Year will be revised and a final forecast released the end of February, it is certain that a General Fund deficit will remain for next year.

As shown in Table 4 below, the cumulative impact of the projected General Fund shortfall for 2007-2008, the new and unfunded initiatives/programs, the unmet/deferred infrastructure and maintenance needs, and the cost of restoring the major General Fund reductions experienced over the last five years totals almost \$700 million. This figure represents over 80% of the base General Fund revenues anticipated for 2007-2008.

**Table 4
CUMULATIVE IMPACT OF GENERAL FUND BUDGET SHORTFALL, UNMET NEEDS
AND RECENT MAJOR BUDGET REDUCTIONS**

	Funding Impact
2008-2012 Preliminary November General Fund Shortfall	\$ 19,849,000
New and Unfunded General Fund Initiatives/Programs	163,020,000
Unmet/Deferred Infrastructure and Maintenance Needs	445,307,000
Major General Fund Reductions (2002-2003-2006-2007)	69,249,000
TOTAL	\$ 697,425,000

This picture, when these lists are viewed together, is clearly one where not all needs can be met, and a clear indication of the difficulty of the task ahead of us as we jointly decide how to allocate the scarce resources that are available. We will be looking to the City Council for guidance and direction in the months ahead in addressing this challenging task.

COORDINATION

All City Departments, including Council Appointees, have assisted with the preparation of the various documents that are submitted for City Council review.


Les White
City Manager

For questions please contact Larry D. Lisenbee at (408) 535-8144.

NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS**1. GASB 43/45 (Unfunded Liability estimated as high as \$1.4 billion, \$98 million annually)**

Two recent Government Accounting Standards Board (GASB) accounting statements (number 43 and 45) require changes in accounting and external reporting associated with “Other Post Employment Benefits” that are provided by the City, such as retiree health benefits. These changes include identifying the liability for such benefits and disclosing the amounts in annual financial statements. The City’s two retirement plans, Federated and Police and Fire, have recently had actuarial studies conducted to calculate the liability under these new accounting standards. Based on the most recent analysis, the unfunded liability could be as high as \$1.435 billion (\$813 million for Police and Fire and \$622 million for Federated), with annual required contributions of over \$98 million (27% of payroll for Police and Fire and 14% of payroll for Federated). A team is working on researching and developing options with the goal of providing additional information to the City Council as part of the upcoming budget process. Options that are being considered by other public sector organizations that have been surveyed in response to the GASB 43/45 requirements include strategies for funding the liability and efforts to mitigate the liability by modifying the retiree health care benefit.

2. Police Staffing Plan (Estimated cost of \$20.2 million in 2007-2008; \$309 million over 5 years)

As directed by the City Council in the Mayor’s June Budget Message for Fiscal Year 2006-2007, the Police Department developed a five-year staffing plan to address staffing needs for both sworn and non-sworn personnel. This plan, which was presented to the City Council in November 2006, was designed to account comprehensively for existing workload demands and staff shortages experienced by front-line and support personnel throughout the Police Department. The Police Staffing Plan calls for the addition of 597.5 positions phased in over the five year period. In 2007-2008, the cost of this plan is estimated at \$20.2 million and includes the addition of 149.5 positions. Over the five-year period, a total of \$309 million would be expended. After full implementation, the plan would cost \$121 million annually.

3. General Obligation Bond Projects (Potential cost of \$18.2 million based on worst-case scenario project cost estimates)

In January 2007, a status report on the overall funding for the City’s General Obligation Bond projects for parks, libraries, and public safety facilities was brought forward for City Council review. The recent volatility in construction and real estate costs has raised concerns about the overall outlook for completion of the remaining bond projects. Staff developed a worst case cost escalation scenario that would result in a shortfall of \$18.2 million in the Library (\$5.1 million), Parks (\$6.3 million), and Public Safety (\$6.8 million) Bond projects. Potential options to address shortfalls include reducing project scopes, using other funding sources such as Construction and Conveyance Tax and Redevelopment Agency funds, and identifying Bond projects as a priority when seeking federal and State grants. It should be noted that the bond projects that have not yet been completed will result in significant additional operating and maintenance costs estimated at \$324,000 in 2007-2008 and increasing to \$17.5 million by 2011-2012. These costs have been factored into the 2008-2012 Preliminary General Fund Forecast.

NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS**4. Watson Park (Estimated cost of \$7.9 million)**

Watson Park is a 35-acre park located approximately two miles northeast of downtown San José. In June 2004, contractors encountered debris consistent with a burn dump site during excavation for the construction of a skate park at Watson Park. The construction project was halted and the park was fenced off and closed to the public. Testing of the park site and adjacent properties on Terrace Drive confirmed the presence of burn ash and dump debris from an incinerator that had operated on this site for approximately 20 years starting around 1914. The preliminary estimate of the cost of remediation and restoration of Watson Park is \$15.4 million. Of this amount, \$7.5 million has already been funded. It is necessary to identify an additional \$7.9 million to complete the remediation work and the park restoration project. Staff is exploring the availability of other funding sources to partially offset the cost of this project.

5. City-Wide Aquatics Plan (Estimate cost of \$7.4 million to implement short-term strategy)

The Department of Parks, Recreation and Neighborhood Services (PRNS) has been working with a consultant to develop a city-wide Aquatics Master Plan. Through the master plan process, PRNS sought the opportunity to reach out to its customers, to re-examine its service delivery system, and to make informed decisions on how best to maximize the return on investment in the Aquatics program. The status report on this master plan, which is scheduled to be presented to the City Council on February 27, 2007, presents a variety of scenarios to address the aquatics needs of the City. These options ranged in price from a low of \$5 million to repair existing facilities to a high of \$169 million for a significantly expanded city-wide aquatics program that would add several new facilities throughout the City. The status report also identified short, mid, and long-term strategies for the City's Aquatic Program. The short-term strategy, which covers a five-year period, includes the renovation of the Mayfair and Biebrach pools, funding for a total of seven leased sites, studies for the mid-term projects, and a community process with the Alviso community to determine an appropriate re-use of the pool site. The estimated cost of the short-term strategy is \$7.4 million. Potential funding sources for this phase include new and existing Parks Construction and Conveyance Tax Funds and the Park Trust Fund.

6. Trees – Maintenance and Enforcement (Estimated cost of \$3.85 million)

The City Council has recently expressed interest in improving tree maintenance and enforcement. Staff has estimated that approximately \$3.85 million would be needed annually to maintain trees (\$3.6 million) and to enforce the City's Municipal Code related to tree removal (\$250,000). This level of tree maintenance funding would allow for structural tree pruning of the approximately 300,000 street trees every 8 years; the administration of both public and private property (non-development related) tree permits; the development and maintenance of a street tree inventory; the posting of all tree permits accessible on the internet for rapid verification by the Police Department, Code Enforcement, and neighbors; and replacement of 500 to 1,000 street trees annually. The addition of two Code Enforcement inspectors would also be necessary to enforce the City's Municipal Code related to tree removal controls for business and property owners and other weekend-related enforcement activities.

NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS**7. Open Government Initiatives and Reed Reforms (Estimated cost of \$1–\$2 million)**

The Open Government initiatives (Sunshine Reforms) and the implementation of the Reed Reforms will require additional City resources. To fully implement the Sunshine Ordinance, additional staff support will likely be necessary in the Offices of the City Manager, City Clerk, and City Attorney as well as the Information Technology Department. In addition, one-time funding for various technology improvements would be required to provide the necessary infrastructure (City website evaluation, expanding electronic storage, Public Records Management Program). Additions in the City Auditor's Office were also recommended as part of the Reed Reforms (Reed Reform #34 – expand the City Auditor's staff to allow for more performance audits). Preliminary costs are estimated between \$1–\$2 million to implement the current set of Sunshine Reforms and other Reed Reforms now under review. The actual costs will be determined after Council adoption of the final set of actions related to this issue.

8. Dedicated Back-up Cooling of the Network Operations Center (Estimated cost of \$1.3 million)

The Network Operations Center (NOC) at City Hall is required to be kept at approximately 68 degrees in order to protect the city's computer network and telephone equipment it contains. In the event that the City Hall primary air-cooling system fails to operate, a back-up air-cooling system dedicated to the NOC is needed. This system would provide emergency cooling of the Network Operations Center space so as to maintain network operations and protect all server and telephone equipment.

9. Night-Shift Custodial Services at City Hall – MEF Interest in Contracting-in (Estimated cost of \$1.2 million)

The Municipal Employees' Federation (MEF) has expressed interest in contracting-in the night shift custodial services provided at City Hall. It is estimated that this change would require the addition of 27 positions, including 21 Custodians, 4 Senior Custodians, and 2 Custodial Supervisors at a cost of \$1.8 million, partially offset by a \$635,000 reduction in existing custodial contractual services. These costs would not result in a change to current levels of service.

10. Shopping Center Improvement Pilot Program (Estimated cost of \$1.2 million)

Throughout San José, aging and under-improved strip malls may diminish the perceived value of adjacent neighborhoods. The impacts of under-investment in these properties are significant and contribute to an appearance of neighborhood decline; reduced visibility for local retailers, which decreases economic performance; potential deterrence of new retailers; and a loss of local revenue (sales tax) from residents pursuing more inviting shopping experiences elsewhere. To address these concerns, the Office of Economic Development (OED), in conjunction with the Redevelopment Agency and the Planning, Building and Code Enforcement Department, would like to implement a Shopping Center Improvement Pilot Program modeled after the Redevelopment Agency's successful Façade Improvement Program. The Pilot Program would provide grant funds to enhance the overall appearance of the selected shopping center(s) through façade and landscape improvements. Staff is pursuing federal funds as part of the Community Development Block Grant program (\$300,000) and using \$220,000 from an existing General Fund allocation to fund a portion of this \$1.2 million program.

NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS**11. General Plan Update (Estimated cost of \$820,000 in 2007-2008; \$2.04 million over 3 years)**

Funding is necessary to update the City's General Plan, as directed in the Mayor's Revised June Budget Message for 2006-2007. The last comprehensive update of San José's General Plan was adopted in 1994. The City is facing significant growth issues and the General Plan is traditionally updated every ten years. The General Plan update would allow the City Council and the City staff to engage the community in preparing a land use vision to direct future growth while preserving the quality of life in neighborhoods. The cost to complete a comprehensive General Plan Update was included as a Committed Addition in the 2008-2012 General Fund Forecast that was issued in November 2006. This included \$820,000 in 2007-2008, \$840,000 in 2008-2009, and \$380,000 in 2009-2010 for a total cost of \$2.04 million.

12. Mexican Heritage Plaza (Estimated cost of \$700,000)

The Mexican Heritage Corporation has requested a \$700,000 increase in its operating subsidy from \$413,000 to \$1.1 million. Per City Council direction, no action on this request will be brought forward until the City Auditor completes an audit of this facility. It is currently anticipated that this audit will be completed and presented to the Rules Committee at the end of February or the beginning of March 2007.

13. Small Business Bonding Program (Estimated cost of \$250,000)

The Small Business Development Commission requested that the City consider creating a surety bond program that would assist small contractors on qualifying to bid on City construction projects. This would assist small contractors that are interested in bidding on City projects but are hindered in doing so because of their inability to obtain the requisite surety bonds. Two alternatives are being reviewed. One is for the City to establish a self-insured surety bond pool. The second is to establish a bonding and financing assistance program with the help of a qualified consultant. For either scenario it is estimated that \$250,000 would be needed to fund the development and implementation of a city-wide program to assist small local and disadvantaged contractors and subcontractors in qualifying for surety bonds. Details of both alternatives will be presented to the Small Business Development Commission on March 14th.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

**SUBJECT: UNMET/DEFERRED
INFRASTRUCTURE AND
MAINTENANCE NEEDS**

DATE: 11-17-2006

Approved

/s/

Date 11/17/06

INFORMATION

BACKGROUND

As part of the Mayor's June Budget Message for Fiscal Year 2006-2007, staff was directed to present to the Council a Police Department Five-Year Staffing Plan within 120 days. While a more detailed memorandum regarding the staffing plan has been prepared and will be discussed separately at the November 28th Budget Study Session, it is important that the City Council review that information in the context of other important issues and factors, such as a projection of future General Fund revenues and expenditures, unmet/deferred City infrastructure and maintenance needs, and a review of previous reductions some non-Public Safety Departments have taken in recent years. The attachments (Attachment A - Unmet/Deferred Maintenance and Infrastructure Needs Summary and Attachment B - Unmet/Deferred Maintenance and Infrastructure Needs Detail) were prepared to give the City Council an idea of the cost of the unmet and/or deferred infrastructure and maintenance needs the City faces for which the General Fund would be the sole or primary source of funding.

ANALYSIS

As a result of the local economic climate, the City has faced severe General Fund shortfalls over the past five years, requiring significant staff and resource reductions. A sampling of these reductions are described in the Selected Non-Public Safety Service Restorations memorandum, also on the agenda for the November 28th Budget Study Session. These resource reductions occurred in the face of the City's Decade of Investment, which has challenged the City to operate and maintain many new or expanded facilities despite diminishing resources. Meanwhile, many critical infrastructure and maintenance needs have been postponed. Furthermore, State budget impacts have negatively impacted funding received for infrastructure needs, shifting the burden of many of these costs to local agencies including our City. Although the recent passage of Propositions 1A and 1B offer some potential relief to transportation infrastructure needs, even with this additional funding taken into consideration, the local economic climate and resource reductions has caused a backlog of \$370 million in transportation infrastructure alone.

November 17, 2006

Subject: UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS

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ANALYSIS (Cont'd.)

As summarized in Attachment A, the General Fund burden of unmet and/or deferred maintenance in 2007-2008 has reached almost \$400 million. Including infrastructure and maintenance needs in areas with other potential funding sources (non-General Fund), the unmet and deferred infrastructure and maintenance needs grows to over \$445 million. This figure includes the cost to restore the transportation system in accordance with City goals and community expectations; maintain the City's existing facilities including the Police Department Administration, Communications, and City Hall facilities; implement and upgrade essential information technology infrastructure; and maintain the City's vehicle and equipment fleet.

The information that follows in Attachment B details the needs, methodology, and assumptions used, and further, identifies where funding other than the General Fund is a potential option, if funding is available. These maintenance and infrastructure needs were developed using a combination of consultant study, current building and asset management software, surveys of City staff and non-profit operators, and replacement schedules. In the General Services Department, General Fund needs of \$1.2 million (net of available funding) in 2007-2008 was derived from a consultant study that has been updated over the past few years. The Information Technology Infrastructure need of \$4.0 million in 2007-2008 consists of critical software and computer replacements required to manage and keep this infrastructure current. Transportation Infrastructure backlogs, as reported in a 2005 report to the Building Better Transportation Committee, has grown to \$370 million need for one-time infrastructure rehabilitation and capital improvement. Even with new Proposition 1A and 1B funding, the ongoing annual operating and maintenance shortfall is projected between \$18 million and \$23 million over the next 5 years. Finally, in order to bring our current vehicle and equipment fleet up to replacement guidelines, \$3.0 million General Fund funding would be required. It should be noted, however, that the programming and appropriation of these amounts may require further analysis and assessment of vehicles based on City Auditor recommendations.

COORDINATION

This list was prepared and summarized by the City Manager's Budget Office. All City departments were requested to submit unmet and/or deferred maintenance needs as part of the 2008-2012 General Fund Forecast. Should any items from this list be brought forward for Council consideration in the future, comprehensive coordination with all appropriate CSA and departmental staff will be conducted and further analysis and refinement will be required.

CONCLUSION

This memorandum was created for informational purposes only. Based on the growing backlog of unmet and/or deferred infrastructure and maintenance needs, the City Council will need to seriously consider strategies for setting aside both additional one-time funding (a strategy which included \$9.8 million as part of the 2006-2007 Adopted Operating Budget) and developing ongoing funding strategies, in order to maintain, protect, and improve the City's infrastructure investment.

/s/

LARRY D. LISENBEE
Budget Director

Attachments

UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS SUMMARY

ATTACHMENT A

GENERAL FUND	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
GENERAL SERVICES MAINTENANCE*	1,166,000	(631,000)	(672,000)	2,599,000	253,000
INFORMATION TECHNOLOGY INFRASTRUCTURE	3,978,000	1,603,000	1,603,000	1,603,000	1,603,000
TRANSPORTATION INFRASTRUCTURE	391,514,000	21,600,000	18,846,000	19,102,000	19,364,000
VEHICLE/EQUIPMENT REPLACEMENT	3,025,000	-	-	-	-
TOTAL GENERAL FUND UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS	399,683,000	22,572,000	19,777,000	23,304,000	21,220,000

* Figures offset by existing funding: \$1 million allocated in the 2006-2007 Adopted Muni Imprvts CIP; \$897,000 annually

POTENTIAL OTHER FUNDS (EG. RDA, C&C FUNDING)

GENERAL SERVICES MAINTENANCE	11,670,000	3,466,000	958,000	201,000	-
CONVENTION AND CULTURAL FACILITIES (TOP 5) **	4,290,000	-	-	-	-
PARKS	29,664,000	-	-	-	-
TOTAL POTENTIAL OTHER FUND UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS	45,624,000	3,466,000	958,000	201,000	-

** Team San José condition assessment list pending; list not comprehensive

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND

General Services Maintenance

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
General Services Total*	\$ 1,166,000	(\$ 631,000)	(\$ 672,000)	\$ 2,599,000	\$ 253,000

* Offset by available funding described further below

The expenditures displayed cover the costs associated with the following major building components: electrical, mechanical, painting, structural improvements, asbestos, and roofing. A detailed breakdown by type of facility and trade is outlined below. The Facilities Management group has compiled this data using information from the Building Management System. The General Services Department has three condition assessment programs that were used to generate the unfunded maintenance needs. The first source is a building condition assessment that was contracted out from 1997 through 1999. This data was generated by a consultant walking through each facility and recording the deficiencies and conditions in a database that includes cost and implementation year. Over the years, completed deficiencies have been removed as well as all of the deficiencies for facilities that are being addressed through the bond projects. Unfortunately this data is now aged, and so the General Services Department has implemented an annual in-house program that will eventually update all of this data. The in-house program is very similar to the consultants, with the exception of having General Services Department staff perform the assessments and cost estimations. These data sources are examined and combined to provide the total capital replacement needs of City facilities that would require General Fund funding, represented below.

The final source of unfunded maintenance needs related to the new City Hall is derived from a consultant report for the new City Hall facility. City Hall Building Maintenance includes major maintenance to the following systems: electrical, fire, energy management, security, and audio/video. In 2010-2011, these costs total \$3.27 million which primarily consists of maintenance for the fire system (\$855,000), replacement of the energy management system (\$848,000), and replacement of audio/video equipment (\$1.5 million) based on the replacement schedule of the existing equipment.

For 2011-2012, General Services currently has no specific data available. Staff reviewed the maintenance needs of previous years and estimated \$1.1 million as an overall average expected need for that fiscal year. During the coming year, the General Services Department will be transitioning in a condition assessment methodology which will update all of the data for the forecast, including the out years. Until that project is complete, General Services is reporting out the best available data at this time.

Funding in the amount of \$1 million was allocated in the 2006-2007 Adopted Municipal Improvements Capital Budget and \$897,000 in each year after 2006-2007. This available funding would offset a portion of the building maintenance costs identified below.

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND (CONT'D.)

General Services Maintenance (Cont'd.)

Police Department Facilities

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Asbestos	\$ 16,000				
Electrical	236,000			11,000	
Mechanical	857,000			45,000	
Painting	503,000		45,000	10,000	
Roofing	69,000			33,000	
Structural	697,000		113,000	131,000	
Total	\$ 2,378,000		\$ 158,000	\$ 230,000	

Communications Building

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Electrical	\$ 8,000				
Mechanical	35,000				
Painting	201,000				
Structural	420,000	51,000	67,000		
Total	\$ 664,000	\$ 51,000	\$ 67,000		

City Hall

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
City Hall	\$ 21,000	\$ 215,000		\$3,266,000	\$ 50,000
Total	\$ 21,000	\$ 215,000		\$3,266,000	\$ 50,000

Other Municipal Improvements

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Other Municipal Improvements					\$ 1,100,000
Total					\$ 1,100,000

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND (CONT'D.)

Information Technology Infrastructure

The list below summarizes estimated unfunded critical information technology infrastructure needs. Projected expenses for contractual services are based upon staff's estimate of the level of effort that will be required. It is important to recognize that these costs may vary based upon individual complexities and requirements. The figure represented below does not include additional staff costs that would likely be required to maintain information technology systems.

Estimated Future Expenses (in priority order)

Asset Management Software	\$ 250,000
Content Management Software	300,000
Skills Supplement/Web Development Support	300,000
Electronic Document Management System (EDMS)	800,000
GIS/Shared Applications	300,000
Desktop Management Software Licenses	<u>425,000</u>
Total	\$2,375,000

Below is a list of ongoing information technology infrastructure needs. These assume a 3% escalation in the years following 2007-2008. Computer replacements assume a four-year replacement cycle for the City's 6,500 computers. Approximately 74% of those computer replacements would be funded from the General Fund and include equipment, software, and licensing costs.

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Computer Replacements	\$1,603,000	\$1,603,000	\$1,603,000	\$1,603,000	\$1,603,000

Transportation Infrastructure

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Transportation Infrastructure Total	\$391,514,000	\$21,600,000	\$18,846,000	\$19,102,000	\$19,364,000

In 2005, the Department of Transportation presented a report to the Building Better Transportation Committee summarizing the transportation backlog at an estimated \$370 million in one-time infrastructure rehabilitation and capital improvement funding and an ongoing annual operating and maintenance shortfall projected between \$18 million and \$25 million over the next five years. This funding would be necessary in order to adequately maintain, operate, and

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND (CONT'D.)

Transportation Infrastructure (Cont'd.)

improve the system in accordance with the City goals and community expectations. A master plan to address this funding shortfall is currently under development.

One-Time Expenditures

Pavement Maintenance	\$ 209,000,000
Curb Ramps	50,000,000
New Street Lighting	31,000,000
Median Island Landscaping	26,000,000
Street Reconstruction	20,000,000
Curb and Gutter Repair	18,000,000
Traffic Signal System Rehabilitation	<u>16,000,000</u>
Total	\$ 370,000,000

In addition to the one-time figures represented above, annual funding is necessary in order to maintain infrastructure to a satisfactory level. These figures are detailed in the table below and assume a 3% adjustment for inflation. Figures for pavement maintenance have been updated to reflect recent analysis on the funding needs based on the recent passage of Proposition 1A and 1B.

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Pavement Maintenance*	\$13,514,000	\$13,360,000	\$10,360,000	\$10,360,000	\$10,360,000
Downtown Cleaning and Maintenance	2,000,000	2,060,000	2,122,000	2,186,000	2,252,000
Tree Trimming	1,500,000	1,545,000	1,591,000	1,639,000	1,688,000
Sidewalk Repair	1,200,000	1,236,000	1,273,000	1,311,000	1,350,000
Traffic Signal Systems	1,100,000	1,133,000	1,167,000	1,202,000	1,238,000
Street Landscaping	1,100,000	1,133,000	1,167,000	1,202,000	1,238,000
Street Light Maintenance	400,000	412,000	424,000	437,000	450,000
Traffic Signage	400,000	412,000	424,000	437,000	450,000
Roadway Markings and Striping	<u>300,000</u>	<u>309,000</u>	<u>318,000</u>	<u>328,000</u>	<u>338,000</u>
Total	\$21,514,000	\$21,600,000	\$18,846,000	\$19,102,000	\$19,364,000

* Original figure revised to reflect funding from the recent passage of Proposition 1A and 1B as reported to the Building Better Transportation Committee on September 14, 2006.

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND (CONT'D.)

Transportation Infrastructure (Cont'd.)

It should be noted, with the recent passage of State Propositions 1A and 1B this month, additional funding is anticipated to become available to begin to address some of the deferred maintenance mentioned above. As reported by the Department of Transportation to the Building Better Transportation Committee on September 14, 2006, the passage of Proposition 1A and 1B includes the preservation of Proposition 42 funding to the City of San José for local street pavement maintenance in the amount of \$8 million annually and new funding to the City of San José for local street improvements, including pavement maintenance, in the amount of \$30 million annually, to be distributed over a 10-year period. These figures assume \$3 million annually starting in 2007-2008 for ten years and an additional \$8 million would be received starting in 2008-2009 for pavement maintenance.

Vehicle/Equipment Replacement

The vehicle and equipment replacement candidate list is developed based on established replacement and utilization guidelines.

Replacement & Utilization Guidelines

Class Type	Years and Miles/Hours	Average Annual Utilization
General Fleet Sedans, Vans, and Light Trucks	10 Years and 100,000 Miles	10,000 Miles
Heavy Trucks	15 Years and 100,000 Miles	6,667 Miles
Light Metered Equipment (Lawn mowers, scooters, light tractors, etc.)	6 Years and 2,500 Hours	417 Hours
Heavy Metered Equipment (loaders, backhoes etc.)	15 Years and 6,000 Hours	400 Hours

In addition to these guidelines, vehicles and equipment not meeting the minimum age and usage guidelines may warrant replacement consideration if they incur major mechanical repairs, obsolescence, accident damage, or are no longer cost effective to maintain.

Once the candidate list is generated from the database using established guidelines, it is provided to the respective maintenance facilities and mechanical assessments. The replacement candidates are then prioritized using age, miles/hours, service type, reliability, repair, and condition as criteria and the list is forwarded to the using departments for operational input. All vehicle replacements must be approved by the City Manager's Budget Office.

The total current vehicle and equipment replacement need is \$3,775,000. Funding of \$750,000 is currently available, leaving an unmet replacement need of \$3,025,000 (detailed

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

GENERAL FUND (CONT'D.)

Vehicle/Equipment Replacement (Cont'd.)

below by department). This figure does not include vehicle and equipment replacement needs that may arise beyond 2007-2008. Annual ongoing funding of \$1,750,000 has been programmed beginning in 2007-2008 to begin to address the deferred replacement need and new annual replacement needs that may occur due to the aging of the fleet. Although this list represents all General Fund vehicles and equipment that meet the utilization criteria, the General Services Fleet Management Division will perform mechanical assessments on all vehicles prior to replacement in accordance with the February 2003 City Auditor's report on the City's vehicle replacement program. It should be noted that the focus of this analysis relates to non-Public Safety vehicles. Fire Department vehicle and apparatus replacement are fully funded by both the General Fund and Construction and Conveyance Tax Funds. Marked Police Department vehicles are also fully funded based on their replacement schedules.

Unfunded Vehicle/Equipment Replacement by Department

Finance Department	\$ 134,000
General Services Department	742,000
PRNS Department	932,000
Public Works Department	106,000
Transportation Department	<u>1,111,000</u>
Total	\$ 3,025,000

Vehicle and equipment replacements in the Finance Department (\$134,000) include two cargo vans and one truck. In the General Services Department vehicle and equipment replacements (\$742,000) include heavy trucks, several light trucks, and two cargo vans. Parks, Recreation and Neighborhood Services Department replacements (\$932,000) consist of passenger vans, lawn mowers, tractors and other service trucks. Public Works vehicles include one sedan and four light trucks. The replacement of heavy equipment trucks, parking meter scooters, and several pickup trucks are included in the backlog for the Department of Transportation (\$1.1 million).

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

POTENTIAL OTHER FUNDS

General Services Maintenance

As previously mentioned, the costs displayed cover the costs associated with the following major building components: electrical, mechanical, painting, structural improvements, asbestos, and roofing. Consistent with the prior methodology, below are replacement needs at the Fire Department and Parks and Community Center facilities. Funding may be available for the Fire Department and Parks and Community Center facilities maintenance through funding in the Construction and Conveyance Tax Fund dedicated for capital and infrastructure replacement.

Fire Department Facilities

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Asbestos	\$ 122,000		\$ 16,000		
Electrical	580,000	605,000	275,000		
Mechanical	1,248,000	427,000	574,000		
Painting	1,057,000				
Roofing	192,000				
Structural	1,125,000	213,000	85,000		
Total	\$ 4,324,000	\$1,245,000	\$ 950,000		

Parks and Community Center Facilities

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Asbestos	\$ 71,000	\$ 8,000			
Electrical	1,280,000	1,002,000		29,000	
Mechanical	2,517,000	380,000		23,000	
Painting	1,446,000	54,000	6,000	22,000	
Roofing	339,000	142,000		91,000	
Structural	1,693,000	635,000	2,000	36,000	
Total	\$ 7,346,000	\$2,221,000	\$ 8,000	\$201,000	

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

POTENTIAL OTHER FUNDS (CONT'D.)

Convention and Cultural Facilities

The General Services Department has evaluated capital repairs necessary for Convention and Cultural Facilities around the City as submitted by the non-profit operators that manage each facility. As part of this evaluation, a “top 5” list was determined and prioritized by the General Services Department. The lists are not comprehensive and repairs at the San José Convention Center are not included, pending the outcome of Team San José’s current condition assessment now funded and under way. Some of the items at the convention center may be the responsibility of Team San José, per the agreement between the City and Team San José. Redevelopment Agency funding, if identified, may be used to fund a portion of these capital repairs.

Top 5 List Repairs (excluding Team San José)

Children's Discovery Museum	\$1,350,000
San José Museum of Art	440,000
Tech Museum of Innovation	620,000
San José Repertory Theater	465,000
Mexican Heritage Plaza	1,000,000
History San José	<u>415,000</u>
Total	\$4,290,000

In the Children’s Discovery Museum, improvements include roof replacement, building envelope repair, exterior paint, preliminary design for interior upgrades, and HVAC upgrades. San José Museum of Art repairs consist of lighting, floor improvements, HVAC expansion, general maintenance, and a waterproofing assessment. Improvements in the Tech Museum of Innovation include exterior painting, adding variable frequency drives to the chillers, HVAC improvements, carpet replacements, and other general improvements. At the San José Repertory Theater, infrastructure improvements include lighting and HVAC upgrades. Health and safety repairs, renewal of theater light and sound, and leak repairs are included in unmet maintenance needs at the Mexican Heritage Plaza. Lastly, for History San José, needs include fire and security improvements, roof and general repairs at the Fallon House, and other general maintenance needs.

Parks and Community Center Facilities

The Parks, Recreation, and Neighborhood Services Department compiled capital infrastructure needs based on staff evaluation input and the department’s asset management software. Construction and Conveyance Tax funding or other non-General Fund sources may be available to fund much if not most of these capital repairs. A comprehensive list, which includes turf renovation, parking lot resurfacing, bench and fountain repair, and walkway repair total \$29.6 million. Below is a total by Council District. A sampling of facilities requiring the most repairs per area is included in parenthesis.

**UNMET/DEFERRED MAINTENANCE AND
INFRASTRUCTURE NEEDS DETAIL**

POTENTIAL OTHER FUNDS (CONT'D.)

Parks and Community Center Facilities (Cont'd.)

Council District 1 (Calabazas, Starbird, Mise Parks)	\$1,663,000
Council District 2 (Great Oaks, George Page Parks)	604,000
Council District 3 (Watson Community Ctr, Park and Soccer Bowl)	5,068,000
Council District 4 (Berryessa Library & Comm Ctr)	2,097,000
Council District 5 (Las Plumas Warehouse)	1,588,000
Council District 6 (River Glen, Bramhall, Lincoln Glen Parks)	743,000
Council District 7 (Solari Park)	2,954,000
Council District 8 (Silver Creek Linear Park)	1,489,000
Council District 9 (Butcher, Doerr Parks)	811,000
Council District 10 (TJ Martin Park, Almaden Winery)	965,000
City-Wide (Alum Rock, Almaden Lake Parks)	<u>11,682,000</u>
Total	\$29,644,000

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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COMMUNITY & ECONOMIC DEVELOPMENT CSA

- | | |
|---|--------------------|
| 1. Community Based Organizations Funding | (1,208,896) |
| <i>Office of Economic Development</i> | |

This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Office of Economic Development (OED), this action reflected a reduction for the six chambers of commerce, Joint Venture Silicon Valley, Convention and Visitors Bureau and various arts organizations. OED worked with these organizations to minimize service delivery impacts. (2003-2004, 2004-2005, 2005-2006)

- | | | |
|---|----------------|------------------|
| 2. Long Range Planning Services | (13.45) | (935,921) |
| <i>Planning, Building and Code Enforcement Department</i> | | |

Since 2002-2003, a total of 5.0 Planners, 2.0 Planning Technicians and .55 Office Specialist positions have been eliminated and 2.7 Planners, 1.0 Planning Technicians and 2.20 administrative positions have been reallocated to the development fee program. Additionally, non-personal/equipment funding has been reduced and one Supervisor Administration position was downgraded to a Senior Office Specialist.

In 2001-2002, there were 11.7 Planner/Technician positions that supported General Plan hearings, historic preservation, development review for non-profits, zoning code amendments to advance quality growth, specific plan updates and special studies, general public and development industry inquiries, and facilitated Building and Code Enforcement issues. In 2006-2007, there are now two positions remaining that can work on unfunded projects in non-CDBG eligible areas and on Council initiated projects. Additionally, programs such as tree and stormwater permitting have been added to the work program over the past five years with little or no funding. Beginning in 2007-2008, the two remaining General Fund positions will be assigned to the General Plan Update project leaving no capacity available for other tasks.

The result is that all new advance planning efforts are now funded by outside sources. There is little staff capacity to work on unfunded special projects in non-CDBG eligible areas and a loss in capability to complete special studies and Council initiated projects. Fees are now charged for services that were once provided at no charge, and the development fees programs are absorbing the cost of providing services. Fees collected for tree permits, appeals, historic preservation, stormwater run-off and customer information have not been raised to 100% cost recovery while General Fund staffing to provide these services was eliminated. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
COMMUNITY & ECONOMIC DEVELOPMENT CSA (Cont'd.)		
3. California Theater Support <i>General Fund Capital, Transfers and Reserves</i>		(750,000)
<p>This action eliminated the General Fund subsidy for maintaining and operating the California Theater. Beginning in 2006-2007, revenues collected in the Cultural Affairs Fund are sufficient to support the costs of maintaining and operating the California Theater without any General Fund subsidy. (2006-2007)</p>		
4. Arts Program Administrative Staffing Support <i>Office of Economic Development</i>	(0.50)	(136,915)
<p>This action eliminated 1.0 Deputy Director and 0.5 Analyst PT and added 1.0 Senior Analyst to the Office of Economic Development. It also reduced non-personal/equipment funding by \$7,000. With the consolidation of the Office of Cultural Affairs and the Office of Economic Development, a reallocation of existing resources to assist the department in the administration of various arts grants and public art projects was more appropriate. In addition, a shift of a Senior Art Program Coordinator to the Transient Occupancy Tax Fund, to provide a portion of the administrative support for the City's arts/festival grants program, was approved. (2005-2006)</p>		
5. Administrative Support Staffing <i>Office of Economic Development</i>	(2.00)	(132,950)
<p>This action eliminated 1.0 Senior Office Specialist and 1.0 Senior Account Clerk. All front desk office support functions were eliminated. Accounting services were split between existing Office of Economic Development (OED) staff and City Manager's Office (CMO) accounting staff, impacting CMO account clerk workload and loan servicing activities. The impact on services also resulted in loss of support to program staff engaged in retention and attraction activities focused on preserving existing revenues and generating new revenues for the City. (2004-2005)</p>		
6. Economic Development Non-Personal/Equipment Efficiencies <i>Office of Economic Development</i>		(78,000)
<p>This action reduced the non-personal/equipment budget for general administration, equipment, assessment and evaluation. The ability of staff to engage in specific activities related to revenue generating retention and attraction efforts such as environmental and other impact studies and industry specific consultant expertise were reduced as a result. (2006-2007)</p>		

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
COMMUNITY & ECONOMIC DEVELOPMENT (Cont'd.)		
<p>7. San José First Employment Program and Small Business Loan Program Staffing Redeployment <i>Office of Economic Development</i></p> <p>This action reduced the non-personal/equipment budget and redirected staff efforts from the San José First Employment Program (SJFEP) and "paused" Small Business Loan Program (SBLP) in order to redirect resources to implement the Neighborhood/Strip Mall Revitalization Program (NRP), develop outreach efforts for the Enterprise Zone, and other projects. Responsibility for SJFEP activities was transferred to the City's larger Workforce Investment Network program at minimal loss of service. The Development Enhancement Special Fund and the NRP Fund now share short-term costs to maintain the personnel capacity to run the technical aspects of the SBLP. (2003-2004)</p>		(60,000)
<p>8. New Year's Carnival <i>Office of Economic Development</i></p> <p>This action eliminated City sponsorship of the annual New Year's Carnival. In light of the economic situation, the City could no longer afford to subsidize this event. (2004-2005)</p>		(50,000)
Community & Economic Development CSA Total	(15.95)	(3,352,682)

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
ENVIRONMENTAL & UTILITY SERVICES CSA		
<p>1. Low Income Rate Assistance Program Funding Shift <i>Environmental Services Department</i></p> <p>This action eliminated the transfer of General Fund monies for the Low Income Rate Assistance (LIRA) Program to the Integrated Waste Management (IWM) Fund. It was determined that AB939 revenues in the IWM Fund could be legally used to support the LIRA subsidy, as it can be considered as offsetting a portion of the cost of recycling services for these households. (2003-2004)</p>		(450,000)
<p>2. Community Based Organizations Funding <i>Environmental Services Department</i></p> <p>This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Environmental Services Department, this action reflected a reduction to the grants awarded to non-profit recyclers (Goodwill, Salvation Army, St. Vincent De Paul, HOPE) for reimbursement of disposal costs. (2003-2004, 2004-2005, 2005-2006)</p>		(159,390)
Environmental & Utility Services CSA Total	0.00	(609,390)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA

1. Funding Shifts	(4,321,856)
<i>Parks, Recreation and Neighborhood Services Department</i>	

No changes to service levels occurred as a result of the following funding shifts to better align costs to the appropriate source of funds. However, these reallocations have impacted the receiving funds' ability to deliver projects:

- Shifted funding for infrastructure activities from the General Fund to the Construction and Conveyance Tax Fund. These activities included non-personal/equipment expenditures related to irrigation supplies and materials, horticultural materials;
- Shifted support of a Gerontology Specialist from the General Fund to the Healthy Neighborhoods Venture Fund;
- Shifted support of a Park Ranger, Recreation Leader PT, and a Senior Recreation Leader PT to the Lake Cunningham and Emma Prusch Park Funds;
- Shifted support of portions of various positions from the General Fund to the Parks Construction and Conveyance Tax Fund. All of these positions support the Park and Community Facilities Capital Improvement Program;
- Shifted a portion of an Accounting Technician from the General Fund to Municipal Health Services Fund, eliminated an Analyst position, and shifted a portion of an Analyst position from the General Fund to the Healthy Neighborhoods Venture Fund; and
- Funding for Homework Centers was shifted from the General Fund to the Healthy Neighborhoods Venture Fund.

(2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007)

2. Community Center Staffing	(76.15)	(3,567,480)
<i>Parks, Recreation and Neighborhood Services Department</i>		

This action reduced funding for community center staffing. Community Centers were reorganized establishing the Multi-Service Delivery System (MSDS). Prior to 2003-2004, there were 39 community centers, satellite community centers, and neighborhood centers, and a complement of 151.80 staff. In 2006-2007, there are 52 community centers, satellite community centers, and neighborhood centers, and a complement of 75.65 staff. At least one focal point community center "hub" is maintained in each Council District with a staffing level of 6.75 positions. The outreach to satellite community centers includes utilizing the sites for programming leisure classes, special events, or after school activities. In order to consolidate resources at the "hubs", there is no on-site staff at these satellite centers. A total of 76.15 positions have been eliminated, and non-personal/equipment funding was reduced. The community centers, neighborhood centers, and satellite community centers and two libraries that were slated to be closed have been included in a Facility Re-Use Strategy that has not yet been completed. This strategy, when completed, will be utilized to find alternative uses/providers for select neighborhood and satellite facilities and will be brought to the City Council for approval on April 3, 2007. (2003-2004, 2004-2005, 2005-2006, 2006-2007)

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

3. Neighborhood Parks <i>Parks, Recreation and Neighborhood Services Department</i>	(27.10)	(3,100,916)
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The following actions reduced support for neighborhood parks:

- Eliminated 2.0 Groundswokers, 2.0 Gardeners, and 1.0 Maintenance Worker that provided condition assessments of park facilities;
- Increased the vacancy savings factor from two percent to four percent and eliminated three positions as a result of the decentralization of mowing operations. Also approved was the elimination of the pavement maintenance contract, vertebrate management contract, and the parks restroom cleaning and lockdown contracts;
- Consolidated General Services – Neighborhood Parks Maintenance with PRNS Regional Parks Maintenance. Efficiencies within both maintenance programs were used to avoid impacts to direct services;
- Eliminated 0.75 Maintenance Assistant PT in the softball maintenance unit. Unlighted softball fields are maintained every 14 days instead of every seven days; and
- Eliminated 18.35 maintenance positions and associated non-personal/equipment funding over a two-year period. This action reduced neighborhood parks maintenance by two days per week. Specifically, parks that experience a high level of usage receive upkeep only five days per week, while medium use parks are maintained three days per week, and low use parks and trails are visited one to two times per week. Restrooms are still maintained on the days other maintenance functions are not performed.

Overall, resources for neighborhood parks have been reduced by more than 25% over the last five years, while acreage has increased by over 10%. The cumulative effects of these reductions have resulted in an overall reduced level of maintenance such as longer periods of litter on the ground and overflowing trash cans, no mid-day or evening restroom cleaning, taller grass and dissatisfaction with the condition of athletic fields, increased cycle times for repair of playground equipment and irrigation systems, and weed encroachment in turf areas. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

4. Library Support Staff <i>Library Department</i>	(35.10)	(2,246,295)
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This reduction eliminated a total of 35.10 support staff positions (1.0 Administrative Officer, 9.0 Librarian II, 3.0 Librarian II PT, 2.0 Library Assistant, 3.0 Library Clerk, 2.5 Library Clerk PT, 6.1 Library Page PT, 1.0 Office Specialist II, .50 Office Specialist II PT, 1.0 Senior Analyst, 3.0 Senior Librarian, 1.0 Senior Library Clerk, 1.0 Senior Office Specialist, .50 Senior Office Specialist PT, and .50 Warehouse Worker II PT). This action reduced the number of staff available at branch libraries to process and sort new and existing materials, answer patron questions, maintain technical services and acquisition records, and extended the amount of time it takes to deliver materials to branches. Additional impacts at Dr. Martin Luther King, Jr. Library included reduced service hours in the Children’s Room and other service areas, reduced funding for popular programs such as internet training, decreased clerical and administrative staff, and decreased marketing staff, which resulted in customers being less aware of service enhancements and changes. The percent of customers that

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

4. Library Support Staff (Cont'd.)
Library Department

agree that the quality of the services provided by the library as good or excellent dropped from 91% in 2003 to 87% in 2006. (2003-2004, 2004-2005, 2006-2007)

5. Community Services **(26.53)** **(2,031,938)**
Parks, Recreation and Neighborhood Services Department

The following actions reduced support for community services:

- Eliminated a Recreation Specialist and a Recreation Supervisor at the Camden Community Center and Recreation Leader PT hours at Millbrook Community Center in 2003-2004. In addition, associated non-personal/equipment funding was reduced at both community centers. The impact on the Camden Community Center was minimal since the center was to undergo bond-funded renovations at the time and services were shifted to other sites. Millbrook's weekday daytime staff coverage was reduced from five days per week to two days per week. In the subsequent year, Millbrook's services were further reduced. The center now offers after school programming as well as leisure classes and fee activities at a reduced level;
- Reduced the General Fund support for contractual services at Grace Community Center by 12%. This action reflected how the program currently provides services;
- Eliminated a Community Coordinator position that provided technical support to Community Action and Pride Grant (CAP) applicants and recipients, supported the grant review committee and monitored award results and issues. Existing staff absorbed the functions of this position. In addition, this program was reduced by 8.2% in 2005-2006 which is the same average percentage reduction approved for non-public safety city service areas in 2005-2006;
- Eliminated the Parent Education and Resource Link Services (PEARLS), a community referral service to parents and families seeking assistance within the City of San José. With the amount of resources and referral services offered throughout the City, duplication of services related to PEARLS was high. As a result, a Community Activity Worker and associated non-personal/equipment funding was eliminated;
- Eliminated funding for a Community Activity Worker PT and contractual services. The staff and contractual services were used for neighborhood service activities such as canvassing, translations, as well as community and weekend events;
- Strong Neighborhoods Initiative (SNI) Support Staff was reduced by 17.25 positions. The majority of the positions were eliminated as part of the reorganization in 2004-2005 to align funding sources with actual work performed. The 19 neighborhood teams were consolidated into six SNI teams, each team being responsible for three to five neighborhoods;
- San José Future Teacher Loan Program was eliminated as a result of low participation. The number of applicants that applied for the loan and the number of participants identified as actively teaching in this area was minimal;

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

5. Community Services (Cont'd.)

Parks, Recreation and Neighborhood Services Department

- A Community Activity Worker PT was eliminated and non-personal/equipment funding was reduced for the Neighborhood Development Center (NDC) as the result of an evaluation and recommendations made by the City Auditor. In addition, 1.0 Analyst and 0.3 Community Activity Worker PT and non-personal/equipment funding were eliminated. Both of these positions provided administrative support to the Center. The San José Beautiful Awards Program which is administered by staff at the NDC, was reduced by \$20,000. This reduction impacted funding for the neighborhood beautification grants and non-personal/equipment funding;
- Eliminated a Kennel Attendant in the Animal and Services Program. This position provided support for veterinary services.

(2003-2004, 2004-2005-2005-2006, 2006-2007)

6. Youth Services	(39.09)	(1,850,862)
<i>Parks, Recreation and Neighborhood Services Department</i>		

The following actions reduced support for youth services:

- The Safe Schools Campus Initiative (SSCI) was consolidated with the Right Connection Program in 2003-2004. Both programs targeted neighborhoods and schools for both safety and gang intervention. As a result of the new service model, 15.25 positions were eliminated. In 2005-2006, the SSCI program was reorganized to consist of eight response teams city-wide. As a result of this reorganization, 10.39 positions were eliminated. Staff was decentralized to high utilization schools and areas with high incidences of youth violence;
- Eliminated 1.26 Youth Outreach Worker I PT from the Community Pride Project. This project provides outreach and recruitment of high risk, gang-involved individuals to promote healthier lifestyles. There were no service level impacts from this action;
- The San José After School Program was reduced. Included in the program reduction was a) the elimination of five Level 2 (Safe and Accessible Integrated After School Program) sites at elementary schools; b) reduction of the number of free summer drop-in programs from two per Council District to one; and c) the elimination of a Recreation Program Specialist. Existing staff was redeployed to absorb the duties of the eliminated position;
- The Late Night Gym Program was reduced. Prior to 2004-2005, the program operated at seven sites during the summer and three sites during the school year. Prior to this cost savings measure, the program was available on Friday and Saturday nights on a drop-in basis from 6 p.m. to 11 p.m. during the summer and on Friday nights during the school year. Currently, only two sites (Camden and Moreland) are open year-round on Friday nights. This action resulted in the elimination of 1.54 positions and associated non-personal/equipment funding;

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

6. Youth Services (Cont'd.)

Parks, Recreation and Neighborhood Services Department

- The Respect, Empowerment, and Awareness of Cultural Heritage (REACH) Program was eliminated. The program provided video presentations, workbook assignments, and interactive crafts and games that promoted cultural awareness, diversity and tolerance. Participants in this program also participated in School Age Growth and Enrichment; Literacy Education Arts Recreation Nurtures Students; After School Enrichment Program and various community based organizations that provided after school care for youth. Because cultural enrichment opportunities are also provided through the programming mentioned above, the impact of the elimination of this program was minimal.

The impacts of these reductions are a decrease in aftercare services provided to schools, and limited city-wide outreach services to youth involved with gangs that are engaging in higher-intensity acts of violence. The program has met its performance measurements by providing services to 72 schools and responding to school incidents within 30 minutes. SSCI took a 48% reduction in staff during the last five years, which resulted in a 13% reduction in home visits and a 77% reduction in field assistance and youth assessments. These staff reductions have required the Youth Intervention Services unit to be reactive versus pro-active and less aftercare and outreach services to youth are being provided. (2003-2004, 2004-2005, 2005-2006)

7. Administrative Support Staffing	(16.64)	(1,838,199)
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Parks, Recreation and Neighborhood Services Department

The following actions reduced Parks, Recreation and Neighborhood Services Department's administrative support:

- Eliminated administrative support positions, including 1.0 Recreation Specialist (supported the Recreation and Community Services Division of PRNS), 1.0 Senior Office Specialist and 1.0 Staff Specialist (supported Parks management staff and performed administrative duties such as handle park concern calls), 1.0 Recreation Program Specialist as a result of the consolidation of the Community Gardens and Adopt-A-Park programs, a 0.5 Gerontology Supervisor PT (provided general support for PRNS Marketing and Events section), and 1.0 Recreation Superintendent (managed San José Volunteer activities, the Anti-Graffiti and Anti-Litter Programs, and all public outreach activities). In addition, additional savings were generated by the elimination of 1.0 Network Technician (provided technical support) and 1.0 Staff Specialist (provided contract management and collected and tracked performance data). Also, 1.0 Office Specialist, a Recreation Leader PT, and a Sr. Recreation Leader PT (all three positions provide employee services functions), 1.0 Marketing/Public Outreach Representative (provided intranet support and published the PRNS newsletter), and 1.0 Recreation Program Specialist;
- Reduced funding for non-personal/equipment items such as office supplies, desktop phone support;
- Eliminated a Community Coordinator that staffed a city/school Collaborative committee with the school districts;

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

7. Administrative Support Staffing (Cont'd.)

Parks, Recreation and Neighborhood Services Department

- Merged the Youth Employment Program into PRNS Employee Services group and further reduced administrative support for this program with the elimination of 1.0 Recreation Program Specialist and associated non-personal/equipment funding. In addition, PRNS consolidated the program management of the PRNS Training, Safety and Youth Employment programs under a Community Coordinator position resulting in the elimination of 1.0 Recreation Supervisor and reduced the non-personal/equipment funding for these programs; and
- Eliminated 1.37 Recreation Leader PT that provided support for the Community Centers Administration unit. Duties were absorbed by the Marketing and Training Unit. Available hours for outreach and staff support training were impacted.

Elimination of management oversight and program consolidation (such as Community Gardens, Youth Employment and Marketing inclusion support) has impacted the responsiveness and effectiveness of remaining staff to meet the needs of internal customers and the community. Cycle times for processing contracts, park concern questions, computer upgrades, and employee service requests have dropped over the last five years as these reductions have been absorbed by existing staff. Ability to implement and oversee policies and procedures effectively has been reduced. Reduction in fiscal staff has affected the cycle time of processing items such as invoices and timekeeping. (2002-2003, 2003-2004, 2005-2006, 2006-2007)

8. Community Code Enforcement	(20.51)	(1,704,299)
<i>Planning, Building and Code Enforcement Department</i>		

This reduction eliminated a total of 6.75 Code Enforcement Inspector/Supervisor, 2.0 Senior Office Specialist and Office Specialist positions, reallocated an additional 7.0 Code Enforcement Inspector and 3.56 administrative positions to other funding sources and reduced non-persona/equipment costs in the Community Code Enforcement core service since 2002-2003. In 2001-2002, General Code program was staffed with a total of 19 inspectors and was able to enforce and promote compliance with local and State codes to ensure a safe, healthy and attractive community. Due to reductions and reallocations to other funding sources, in 2006-2007, there are now only 4.75 inspectors available to respond to all General Code Enforcement cases related to substandard housing, nuisance and zoning complaints.

Due to the ongoing reduction of General Fund positions, the ability of Code Enforcement to resolve violations in a timely manner has been affected. Response times to imminently hazardous and life/safety priorities have been maintained by establishing these as an inspection priority. However, Inspectors are no longer sent out to respond to non-life/safety complaints. As a result of these reductions, violations that are resolved within targeted processing standard times have decreased from a high of 82% in 2001-2002 to 57% for the second quarter of 2006-2007. The average caseload for a General Fund Code Enforcement Inspector has increased to 176 cases at a time. This compares to the average caseload of 76 cases for a CDBG/SNI area inspector. Specific programs

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

8. Community Code Enforcement (Cont'd.)

Planning, Building and Code Enforcement Department

that have been impacted over this time period include: enforcement of blight, non-smoking regulations, zoning violations, auto repair in residential areas, signs, fences, overgrown vegetation, landscaping, improper storage, lawn parking and elimination of dedicated inspector support for the San Jose Appeals Hearing Board. The number of violations resolved through voluntary compliance has decreased from 91% in 2000-2001 to approximately 85% in 2006-2007. (2002-2003, 2003-2004, 2005-2006, 2006-2007)

9. Regional Parks	(24.27)	(1,670,493)
<i>Parks, Recreation and Neighborhood Services Department</i>		

The following actions reduced support for regional parks:

- Consolidation of Visitor Services and Facilities and Parks Division resulted in the elimination of 9.3 positions. Most of the duties had already been absorbed by existing staff;
- As a result of two years in a row of staffing eliminations totaling 12.26 positions, the number of days regional parks is maintained decreased from seven days to six days per week. Although impacts vary by regional parks, there are longer response times for litter pick-up and garbage removal, turf edging, and aeration. Pruning is performed on an as-needed basis, and there is limited ability to perform special projects. Many regional parks do not have Park Ranger coverage throughout the day. PRNS intentionally does not use the part-time Ranger hours during the shorter days of the winter in order to utilize the funding to provide coverage during longer summer days. Park Rangers are not available in the mid afternoon on winter weekdays and without staff, visitor centers in various regional parks, as well as restroom facilities, are closed when their shifts are over;
- Consolidated General Services – Neighborhood Parks Maintenance with PRNS Regional Parks Maintenance. Efficiencies within both maintenance programs were used to avoid impacts to direct services. As a result of the consolidation of Neighborhood Parks Division (General Services Department) with Regional Parks Division (PRNS), two supervisor positions were eliminated;
- The budget for regional parks turf irrigation was reduced;
- Expanded the "Zoo Only" experience during the months that are considered "off season" at Happy Hollow Park and Zoo. This action resulted in the elimination of 0.98 Regional Park Aide PT, 1.15 Recreation Leader PT, and 0.18 Puppeteer PT. These positions are used to staff rides, support food and souvenir locations, and provide entertainment. As a result, full park access (park and zoo) was reduced from seven days a week to five days a week during February, March, October and November and one of five rides is not operational year-round; and
- Reduced maintenance services at the History Park and Fallon House Grounds by 50%. 1.0 Gardener and associated non-personal/equipment funding was replaced with a Maintenance Assistant PT. Services reduced included litter and trash removal, maintenance of landscape, turf care, irrigation and other tasks.

(2003-2004, 2004-2005, 2005-2006, 2006-2007)

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

10. Vacant Position Eliminations <i>Parks, Recreation and Neighborhood Services Department</i>	(32.15)	(1,551,804)
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The following actions reduced general support for PRNS. All positions were vacant for some time. The impact of these positions was reflected in the current level of service and has resulted in less flexibility for staffing needs.

- As part of the 2003-2004 General Fund 100 Vacant Positions Elimination Plan, 27.52 vacant positions were eliminated. Positions eliminated included 1.0 Groundswoker, 1.0 Maintenance Assistant, 1.0 Maintenance Worker, Assistant Swimming Pool Manager, Instructor Lifeguard PT, Lifeguard PT, Recreation Aide PT, Recreation Leader PT, Sr. Recreation Leader PT, Swim Pool Aide PT, Community Activity Worker PT, 1.0 Park Ranger, 1.0 Network Technician, 1.0 Athletic Stadium Groundskeeper, 1.0 Recreation Superintendent, 1.0 Office Specialist, 1.0 Therapeutic Specialist, 1.0 Youth Outreach Worker, and a Gerontology Supervisor PT; and
- Eliminated positions that had been vacant for an extended period of time and included 2.26 Youth Outreach Workers, 1.37 Recreation Leader PT, and an Equipment Operator.

Elimination of these vacant positions has reduced the department's ability to backfill the programmatic needs of the park's maintenance and community services programs within the core services of the department. While the programs have absorbed these reductions, their general ability to meet the service level needs of the public has been reduced. (2003-2004, 2006-2007)

11. Recreation Services <i>Parks, Recreation and Neighborhood Services Department</i>	(17.15)	(864,795)
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The following actions reduced support for recreation services:

- Supervising functions of the Adult Sports Program and Aquatics Program were consolidated through the elimination of 1.0 Recreation Supervisor. In addition, 0.5 Office Specialist PT that provided clerical support was eliminated as well as staffing (0.13 Recreation Leader PT and 1.68 Senior Recreation Leader PT) and associated non-personal/equipment funding for scorekeeping services during softball games;
- The Kirk Theater Program and the SAGE Theater Program were consolidated into a single city-wide Theater Program. Both locations provided services to the larger Willow Glen Area. As a result of this consolidation, 2.18 Recreation Leader PT and associated non-personal/equipment funding were eliminated. In the following year, an additional 0.5 Recreation Leader PT and 1.0 Recreation Supervisor were eliminated as well as associated non-personal/equipment funding. The program remains but has become more cost-recovery and self-supporting; and

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

11. Recreation Services (Cont'd.)

Parks, Recreation and Neighborhood Services Department

- Savings in the Aquatics Program were realized by eliminating the subsidy to the East Side Union High School District (ESUHS) to operate three of its summer pool sites. During the summer 2004 season, there were six City-owned pools and five rented pool sites. For the summer 2006 season, there were two City-owned pools and two rented pool sites (note that funding was available for three rented pool sites but at the request of the Gardner Community Center Advisory Group, additional day camp staffing/activities were made available at the Gardner Community Center). A total of 7.67 positions that operated the City-owned sites were eliminated as a result of these reductions to the Aquatics Program. In addition, the Year-Round Recreation Swim at Fair Swim Center during the months of March, April, and May was discontinued. This action resulted in the elimination of 2.49 positions. The Late Night Swim Program was also eliminated. This program provided swimming opportunities for participants Friday and Saturday evenings during eight weeks of the year.

The elimination of positions in the Adults Sports program has resulted in a reduction in front-line service and limited office hours. Normally, recreation staff spends much of their time preparing the fields for league play but since staff has had to assume a greater workload because of the reductions, the remaining staff has not been able to compensate for the loss of the office support. As a result, office hours are limited and the response time for calls has increased. The service impact relative to the reductions in the Aquatics Program has been significant. The closure of the City-owned facilities in 2005, coupled with the loss of funds for school-leased sites and the decision by local school districts to terminate their programs, has greatly reduced the number of affordable facilities available to the public. At its current funding level, the Aquatics Program can only support five sites (two City-owned facilities and funding for three school-leased sites). The City has used the leased sites to compensate those communities affected by the closure of the City-owned facilities. However, this results in a continued service gap for residents in the City's west side, Willow Glen, Evergreen and south side communities. (2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007)

12. Branch Library Hours

(8.73)

(811,564)

Library Department

In 2005-2006, four hours of service per week was eliminated at nearly half the branch libraries in San José. Previously, all branch libraries were open 51 hours per week. This reduction resulted in all branches being open four fewer hours on Mondays (hours open reduced from nine hours to five hours), however, several branches opened for four hours on Sunday instead. King Library service point coverage hours provided in the Children, Teen and Adult Services, References and Language/Media areas were also reduced. These reductions resulted in the elimination of 8.73 positions (4.0 Librarian II, .73 Librarian II PT, 1.0 Library Assistant, .50 Library Page PT, and .50 Principal Office Specialist PT, and 2.0 Senior Library Clerk). The percent of residents rating hours as good or excellent increased from 58% in 2003 to 62% in 2005 due to 20% increase in hours at the King Library upon opening, plus the opening of new branches, helping to offset the decrease in branch hours. (2005-2006)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
NEIGHBORHOOD SERVICES CSA (Cont'd.)		
13. Community Based Organizations Funding <i>Library Department</i>		(678,634)
<p>This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Parks, Recreation and Neighborhood Service Department, this action reflected a reduction for several community service programs. (2003-2004, 2004-2005, 2005-2006)</p>		
14. Library Media Items Hold Service <i>Library Department</i>	(9.56)	(569,325)
<p>This reduction eliminated a total of 9.56 positions (1.0 Librarian II, 1.35 Librarian II PT, 2.0 Library Clerk, 2.71 Library Clerk PT, 1.5 Library Page PT, and 1.0 Senior Library Clerk). Prior to 2004-2005 library patrons were able to place requests via the internet on all library materials throughout the library system for pickup at the customers' leisure and at a location of their choice. This action eliminated the media hold services for customers, thereby requiring patrons to go directly into specific branches to pick up materials. Initial complaints received and continuing minimum complaints are received annually. The number of customers finding materials or information did not statistically change due to increased availability of materials on library shelves. (2004-2005)</p>		
15. Seniors and Disabled Programs <i>Parks, Recreation and Neighborhood Services Department</i>	(10.37)	(560,334)

The following actions reduced support for senior and disabled programs:

- Eliminated 2.95 Recreation Leader PT in the Office of Therapeutic Services (OTS). This staff provided support to the Social Recreation and Adapted Sports and Special Events Team. Now with the new Multi-Service Delivery System model, the OTS staff was decentralized and staff at the community centers was cross-trained to provide inclusion support services. Decentralization of Therapeutic Recreation Services has been unsuccessful due to workloads at the community centers. Consequently, decentralization and reduction of resources decreased therapeutic recreation services visibility in the community due to lack of marketing and outreach. Loss of these Recreation Leader PT positions resulted in full-time staff having to implement programs at the expense of marketing and outreach efforts which would have increased participation for persons with disabilities;
- Eliminated 1.0 Recreation Supervisor and the city-wide Senior Special Events program, which in the past included the San José Senior Games, resource fairs, and the Multicultural Festival;
- Closed the Senior Employment Resource Center (SERC) as a result of the elimination of 1.0 Senior Recreation Leader. Seniors are referred to similar non-profits that provide similar services including the City's Office of Aging - Older Adult Resource Program. Also, general administrative support consisting of 1.0 Principal Office Specialist and Recreation Leader PT was eliminated as staff continued to streamline operations and create efficiencies in the Office of Aging;

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
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NEIGHBORHOOD SERVICES CSA (Cont'd.)

15. Seniors and Disabled Programs (Cont'd.)

Parks, Recreation and Neighborhood Services Department

- Eliminated 1.0 Gerontology Specialist that managed the Tax Assistance Program as well as the Home Owners and Renters Assistance Program. Both programs were components of the Retired Senior Volunteer Program and there was minimal impacted from the loss of this position;
- Support of the Senior Trips Day Program was redeployed to an outside vendor which resulted in the elimination of 1.5 positions that typically coordinated the senior trips and produced the Senior Info Newspaper. Current satisfaction levels have dropped from 92.4% to 61.5% and participation in the Senior Day Trips Program has dropped 39%. The Senior Info Newspaper provided information on senior services to over 3,200 unduplicated seniors per month;
- Eliminated 1.0 Office Specialist and Recreation Leader PT along with associated non-personal/equipment funding at the Alma Senior Center. These positions were vacant for some time, thus there were no changes to service levels.

(2003-2004, 2004-2005, 2005-2006)

16. Library Bookmobile and Disability Outreach Service	(2.50)	(227,277)
<i>Library Department</i>		

In 2004-2005, ongoing funding necessary to operate the Library Bookmobile and the Disability Outreach Service (DOS) was eliminated. The Bookmobile was a program that brought books to areas in San José that were not located near a branch library, and DOS was an outreach program for the homebound. The elimination of these two programs resulted in the reduction of 2.50 positions (2.0 Librarian II, and .50 Librarian II PT) and associated non-personal/equipment funding. The department has received minimal complaints associated with this action and there was no statistical reduction in performance measures due to the low number of residents served by these services. (2004-2005)

17. Neighborhood Clean-Up Program		(219,890)
<i>Planning, Building and Code Enforcement Department</i>		

This reduction transferred costs for bin monitoring and non-personal/equipment costs to the Solid Waste Enforcement Fee (SWEF) and the Integrated Waste Management Fund.

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
NEIGHBORHOOD SERVICES CSA (Cont'd.)		
18. Branch Library Custodial Services <i>Library Department</i>		(50,399)
<p>In 2003-2004, one day of contractual custodial services at all branch libraries was eliminated. The reduction was spread throughout the week resulting in less daily service but ensuring daily restroom cleaning. Carpeting, work surfaces, and staff areas were not maintained at levels commensurate with their use. The percent of residents rating facilities as good or excellent in terms of condition increased from 74% in 2003 to 78% in 2005. This is due in large measure to new branch libraries and the new King Library opening in this period. The library has been able to reallocate parcel tax funds to supplement custodial services to better maintain heavily used facilities. (2003-2004)</p>		
19. Community Based Organizations Funding <i>Library Department</i>		(12,915)
<p>This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Library Department, this action reflected a reduction for the Books Aloud program. (2003-2004, 2004-2005, 2005-2006)</p>		
Neighborhood Services CSA Total	(345.85)	(27,879,275)

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2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
PUBLIC SAFETY CSA		
1. Curfew Program <i>Police Department</i>	(6.00)	(1,172,119)
<p>This reduction first decreased and then eliminated the allocation for overtime and eliminated a total of 2.0 Police Data Specialists, 1.0 Police Sergeant and 3.0 Police Officers assigned to the Curfew Program's patrol duties. Although it was anticipated on-duty Police Officers would be able to enforce curfew ordinances, Officers are unable to enforce curfew violations on a consistent basis due to regular patrol demands. Focused enforcement is currently provided on weekend nights when staffing is available; however, this does not address curfew enforcement needs during the remainder of the week. This reduction was partially mitigated by a 2006-2007 budget action that added 10.0 Police Officers to address downtown safety, such as cruising enforcement/curfew abatement. (2003-2004, 2004-2005)</p>		
2. Horse Mounted Unit Staffing <i>Police Department</i>	(7.00)	(954,536)
<p>This action eliminated 6.0 Police Officers and 1.0 Police Sergeant in the Horse Mounted Unit (HMU). Remaining staff (consisting of one Sergeant, eight Police Officers, one groundskeeper, and volunteers) have continued to maintain the horse facility and provide adequate care to the animals. Presentations and special events attended by the HMU have been reduced by almost 50%. The Crowd Control readiness was also depleted with the reduction of the HMU. Park checks were also significantly reduced by almost 50%. In essence, the HMU park checks are limited to those parks in the downtown core area, where the HMU focuses most of its patrol. (2003-2004, 2004-2005)</p>		
3. Investigative Services Administrative Support Staffing <i>Police Department</i>	(10.25)	(871,885)
<p>This action eliminated 2.0 Senior Office Specialists, 1.0 Senior Analyst, 0.62 Crime Data Analyst, 1.0 Analyst, 5.0 Office Specialists and 0.63 Staff Specialist that provided support to Investigative Services, Internal Affairs, and the Photo Lab. Administrative support reductions have resulted in a loss of investigator time for case processing since Police Officers must now cover most of the support duties. Production of photographic evidence has also experienced some delays. Three of the Office Specialists and the 0.62 Crime Data Analyst supported the Court Liaison Unit, which is under the Investigative Services Unit. Currently, civilian staff must work overtime to fill in for support staff absences. The elimination of positions resulted in the reallocation of case management and witness coordination workloads to remaining personnel. (2003-2004, 2004-2005, 2006-2007)</p>		

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

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|---------------------------------------|----------------|------------------|
| 4. Operations Support Services | (11.75) | (762,677) |
| <i>Police Department</i> | | |

Positions from the Operations Support Services Division were eliminated which included 6.0 Police Data Specialists, 1.75 Police Data Specialist PT, 3.0 Senior Police Data Specialists, and 1.0 Messenger Clerk. Services are no longer provided on a 24 hour basis as staffing has had to be reallocated to other tasks and shifts to meet workload demands. The seven remaining Senior Police Data Specialists are currently included in the minimum staffing levels such that they are staffing day-to-day operations in addition to their supervisory duties. The elimination of the Messenger Clerk resulted in many of the allied agencies which depend on information from the Department no longer receiving regular deliveries. (2003-2004, 2006-2007)

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|--|---------------|------------------|
| 5. Crime Prevention and Neighborhood Programs | (7.00) | (669,284) |
| <i>Police Department</i> | | |

This reduction eliminated a total of 1.0 Police Sergeant, 3.0 Police Officers and 3.0 Crime Prevention Specialist positions. The Police Sergeant, 1.0 Police Officer, and 2.0 Crime Prevention Specialist positions were responsible for providing crime statistics and educating neighborhoods on identifying and reporting problems as part of the Neighborhood Watch Program. A Crime Prevention Specialist position that was responsible for assisting residents in mitigating neighborhood conflicts was eliminated due to the suspension of the Neighborhood Action Program. The Officer responsible for managing the Tobacco Enforcement Program was also eliminated. A Police Officer position that was responsible for supporting the CrimeStoppers Program was eliminated as funding for the program was eliminated. Staff reductions continue to impact the delivery of services by the Crime Prevention Unit in the area of public presentations. Program outreach has been delayed due to staffing reductions. Though the Neighborhood Watch program continues to provide crime statistics and threat assessments, Neighborhood Watch presentations are sometimes scheduled outside the goal of 30 days. The Neighborhood Action and Tobacco Enforcement Programs are currently suspended. The Crime Stoppers Officer position is currently staffed as a Temporary Duty Assignment, and this arrangement may be suspended. Other crime prevention programs have been impacted such as the Safe Alternatives to Violence Education (SAVE) program that is currently in a maintenance mode and is staffed as a co-lateral assignment. (2004-2005)

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|---|---------------|------------------|
| 6. Field Operations Administration and Support | (6.00) | (578,400) |
| <i>Police Department</i> | | |

This reduction eliminated a total of 2.0 Police Sergeants, 1.0 Police Lieutenant, and 3.0 Office Specialists. The Police Sergeants and one Police Lieutenant were eliminated from administrative assignments. The three Office Specialist positions supported the Bureau of Field Operations (BFO). The workload of the two Sergeants was transferred to the supervisor of the BFO Administrative Unit which has resulted in delays in carrying out administrative duties. In addition, field supervisors now must perform administrative duties which limit their time for supervision. A Division Captain is now responsible to collaterally handle managing the division and crisis management with the elimination of

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2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

6. Field Operations Administration and Support (Cont'd.)
Police Department

the Police Lieutenant position. The division responsibilities leave little time to address critical issues in crisis management. The elimination of three Office Specialist positions placed added responsibility of typing for the entire BFO on one position and reduced staffing for the BFO message center and Officer of the Day office which can no longer be staffed consistently for 24 hours per day. (2003-2004, 2004-2005)

7. Police Administrative Management and Support **(7.50)** **(576,989)**
Police Department

This action eliminated 1.0 Office Specialist for Personnel, 1.0 Capital Projects Coordinator, 3.0 Analysts in the Research and Development, Systems Development, and Fiscal Units, the Police Property Supervisor which manages Central Supply and Property and Evidence, and 0.5 Staff Technician P/T for Secondary Employment. Also eliminated was 1.0 Office Specialist in the Permits Unit as part of the General Fund 100 Vacant Positions Elimination Plan. The Personnel Unit has experienced backlogs in processing appraisals, recruitments, personnel document filings, and database updates which has caused Personnel to close its doors to walk-in business three hours each day. The loss of analytical staffing has resulted in delays in responding to outside requests for information and in preparing reports and analysis. Provision of analysis has become reactive instead of proactive such that only rising problems are given immediate attention. Loss of support staffing for the secondary employment and permits functions has caused delays in processing permits and maintaining files and data. (2003-2004, 2004-2005)

8. Fire Management Staffing **(3.00)** **(569,089)**
Fire Department

This reduction eliminated 1.0 Fire Captain, redeployed 1.0 Fire Captain, and eliminated 3.0 Division Chiefs, later offset by the addition of 1.0 Deputy Director. A 2003-2004 action eliminated a vacant Fire Captain that supported the Public Education Program. With this reduction, other management positions continued to provide supervision of the public education programs. A Fire Captain on administrative assignment was redeployed in the 2002-2003 budget to the pool relief staff for direct fire service, resulting in savings in overtime expenditures. The public information and public education responsibilities were transferred to a Fire Captain position responsible for recruitment. This combination of responsibilities resulted in fewer recruitment and outreach activities, as well as the loss of a central point of contact for those interested in pursuing a career in the fire service. Day-to-day administration of the public education program has fallen to remaining staff and reduced the number of outreach activities and programs conducted. An action in the 2003-2004 budget eliminated 3.0 Division Chief positions, offset by the later addition of 1.0 Deputy Director. This position was created to oversee the day-to-day operations of fire stations. With the elimination of the Division Chief administrative positions and a reorganization of the Fire Department, Deputy Fire Chiefs and other management positions now have responsibility for these functions in addition to the

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

8. Fire Management Staffing (Cont'd.)
Police Department

day-to-day management of special operations programs. In 2002-2003, the Department had five Deputy Chiefs and three Division Chiefs. In 2006-2007, the Department operates with four Deputy Chiefs and two Deputy Directors. (2002-2003, 2003-2004)

9. Community Services Division Administrative Staffing **(5.00)** **(532,189)**
Police Department

This action eliminated 1.0 Office Specialist position in Crime Prevention Administration, and 2.0 Office Specialist positions, 1.0 Police Captain and 1.0 Police Lieutenant in the Community Services Division (CSD). The combined impact of these reductions in support staff has resulted in operational staff absorbing the workload. The one remaining Lieutenant oversaw all of crime prevention, school safety, and school-based programs as well as the Reserves and volunteer programs in CSD. With the elimination of three Office Specialists, there is no clerical staff to provide support to the CSD and crime prevention administration support has been reduced. Additional routine clerical responsibilities and database management duties have been distributed to Crime Prevention Specialists although the number of these positions has been reduced as well. These additional responsibilities coupled with reduced Crime Prevention Specialist staffing has caused delays in Neighborhood Watch meetings, the Challenges and Choices program, child safety seat installation and inspection, the SAVE program and School Liaison. A Police Lieutenant currently manages all programs which were once overseen by a Police Captain and two Police Lieutenants. The remaining Police Lieutenant is also responsible for attending community meetings that were formerly handled by three different command positions. While all division management obligations are being met, some responsibilities were necessarily shifted to the first-line sworn supervisory staff, causing an indirect effect on day-to-day service delivery. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

10. Communications Division Staffing and Overtime **(3.00)** **(502,717)**
Police Department

This reduction eliminated 1.0 Senior Office Specialist, 1.0 Assistant Police Communications Manager, reduced the Communications Division's overtime budget by \$200,000, or 38%, and custodial services for the Communications Division by \$6,500. A Supervising Public Safety Dispatcher position in Communications Administration was also eliminated as part of the General Fund 100 Vacant Position Elimination Plan. Current staff has been assigned the duties of the Senior Office Specialist. The functions of the Assistant Police Communications Manager shifted to the Communications Manager and to the seven remaining Supervising Public Safety Dispatchers. With the increase in the number of filled and fully trained Police Dispatcher II positions, overtime usage was expected to decrease in 2003-2004. The loss of the Assistant Communications Manager, the Supervising Public Safety Dispatcher (PSD), and the Senior Office Specialist has had a negative affect on the Communications Division and the Bureau of Technical Services. Most of the workload of these three positions has been transferred to the Communications Division Manager who has had difficulty absorbing all of the

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

10. Communications Division Staffing and Overtime (Cont'd.)

Police Department

functions required. Although Public Safety Radio Dispatcher (PSRD, formerly PSD II) staffing in the Communications Center has improved, overtime usage continues to exceed existing funding within the Communications Division, resulting in the use of Communications vacancy savings to augment overtime funding to fulfill critical staffing shortages in the communications control room. (2003-2004, 2004-2005)

11. Entertainment Zone Overtime

(500,000)

Police Department

This action reduced overtime funding for the Entertainment Zone by 30% in 2003-2004 and again by 60% in 2004-2005. Although it was anticipated that on-duty patrol and cruise management Officers would be utilized to facilitate safety of patrons in the Downtown Entertainment Zone and ensure safe closing of the nightclubs at the end of their business day, demands for coverage in the Entertainment Zone have exceeded the Department's ability to respond with on-duty personnel. Activity in the downtown area has continued to increase, resulting in greater demand for police coverage within the Zone, particularly during the late evenings. Calls for service within the Zone have resulted in the diversion of beat staffing from the surrounding areas. A one-time rebudget of funds has enabled the Department to address service needs in the Entertainment Zone in 2006-2007. This reduction was partially mitigated by a 2006-2007 budget action that added 10.0 Police Officers to address downtown safety, such as cruising enforcement/curfew abatement. (2003-2004, 2004-2005)

12. Police Investigations Sworn Staffing

(4.00)

(432,459)

Police Department

This reduction eliminated funding for a total of 2.0 Police Sergeants and 2.0 Police Officers. In 2003-2004, 1.0 Police Sergeant was redeployed from the Attorney's Office to patrol duties and the position was defunded. The remaining Police Sergeant and two Police Officers continue to maintain civil case investigations. The defunding of 1.0 Police Sergeant in the Internal Affairs Unit and 1.0 Police Officer in the High Tech Investigations Unit were approved in 2004-2005. The High Tech Unit investigates crimes related to the use of the computer as a tool to commit criminal acts. The reduction in the High Tech Unit resulted in an estimated 25% increase in cases assigned per investigator. In the Internal Affairs Unit, 1.0 Police Sergeant was eliminated which impacted the quality and number of cases handled by remaining Investigators. One Police Officer in the Court Liaison Unit was also eliminated. The duties of the Police Officer position were reallocated among the ten Police Officers remaining in the Unit. Current demands for civil investigations created a backlog of case work. This elimination has contributed to the increased workload of the available officers assigned to the Unit. Additional duties have also been absorbed by CLU. The additional workload, combined with less sworn and support staffing, has resulted in the delay of presenting complaint packages to the District Attorney's Office within two days prior to arraignment per their request and has impacted the Unit's ability to meet court deadlines for filing cases and processing subpoenas and court notices prior to trial. (2003-2004, 2004-2005, 2005-2006)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

- | | |
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| 13. Fire Truck 1 Staffing Alignment
<i>Fire Department</i> | (348,189) |
|--|------------------|

A sworn staffing realignment in the 2003-2004 budget redeployed a firefighter position that was assigned as the sixth firefighter on Truck 1 to the relief pool that provides coverage for staff absences or vacancies. This redeployment reduced the amount of overtime used to cover staff absences. Truck 1 was the only company in the City with staffing levels above the minimum MOA required level and this approved redeployment brought the staffing level in line with that standard. No impact to service levels resulted from this action. (2003-2004)

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| 14. School Safety Administration/Youth Support Programs
<i>Police Department</i> | (2.00) | (342,132) |
|--|---------------|------------------|

Three reduction actions impacted community services in the areas of school safety and youth support. Overtime funding in the amount of \$110,000 for Police Officer participation in the Late Night Gym Program was eliminated. Funding for Police participation in miscellaneous support programs, including: Citizen and Youth Academies, Young Women's Conference retreat, Safe Schools mini-grants and technical support to maintain the Cyber-Cadets website was also eliminated. A total of 2.0 School Safety Coordinator positions (two of four) were eliminated, resulting in an increase in supervisory responsibility for the remaining School Safety Coordinators. Although it was anticipated that on-duty Police Officers would be utilized to mitigate the impact of the Late Night Gym overtime reduction, demands for field response in patrol have prevented consistent program staffing and supervision during gym hours. The Police Department continues to work with effected organizations to minimize impacts to the Cyber-Cadet Program and Safe School mini-grants. However, the Young Women's Conference retreat and Citizen/Youth Academies have been discontinued. The supervisory ratio of School Safety Coordinators to part-time staff has doubled from 1:50 to 1:100. There are currently approximately 20 un-staffed intersections that have qualified for guards; however, the backlog for recruiting, hiring and training of guards has delayed staffing of these intersections. Staff from other programs continue to assist with this increased workload although this solution has a negative impact on the level of service and performance in other crime prevention programs. (2003-2004, 2006-2007)

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| 15. Fire Administrative Support Staffing
<i>Fire Department</i> | (3.00) | (273,760) |
|---|---------------|------------------|

This reduction eliminated 1.0 Senior Analyst, 1.0 Administrative Officer, and 1.0 Senior Office Specialist. The Senior Analyst position was assigned to the Training and Emergency Medical Services (EMS) administrative unit. This position provided administrative assistance to the technical staff in this unit and helped maintain the medical services database. With the elimination of this position, analytical activities performed to help the Medical Director evaluate the quality of patient care provided by the Fire Department's Firefighter Paramedics and Emergency Medical Technicians was significantly scaled back. Other analytical work needed to help improve the efficiency and

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

15. Fire Administrative Support Staffing (Cont'd.)

Fire Department

effectiveness of EMS operations was also curtailed. Included in the 2002-2003 budget was the reduction of a vacant Administrative Officer position in Management and Administration. This position was never filled. While no impact on daily service delivery occurred as a result of this reduction. A 2003-2004 General Fund Rebalancing action eliminated the Senior Office Specialist position. This action eliminated one-half of the non-fee related senior clerical positions in the department, resulting in increased turnaround times for department-wide support functions. A modest reduction in service levels resulted from this action. (2002-2003, 2003-2004)

16. Police Vehicle Related Efficiencies

(1.00)

(264,950)

Police Department

This reduction includes the 2004-2005 elimination of 1.0 Analyst in the Bureau of Field Operations for marked vehicle fleet management. The Department changed its practice of ordering special blue paint for police patrol vehicles and now orders factory dark blue paint instead, resulting in an ongoing savings of \$70,029. Savings of \$100,000 were realized in vehicle leases and general office supplies. Approximately 15 covert vehicles were assigned to special operations such as VCET, MERGE, and Anti-Graffiti for an extra year. Extending the life of the vehicles resulted in savings in lease costs. Availability of automated vehicle management data partially mitigated the loss of this position. Elimination of the Analyst position did however create additional workload for the Sergeant assigned to manage the unmarked fleet, resulting in delayed response to day-to-day vehicle issues. Extending the assignable life of unmarked vehicles in lieu of leased vehicles has resulted in more aged vehicles within the unmarked fleet. (2002-2003, 2004-2005, 2005-2006)

17. Police Strategic Support Sworn Staffing

(2.00)

(220,839)

Police Department

This reduction eliminated 1.0 Police Sergeant in the Research and Development (R&D) Unit, and 1.0 Police Officer for recruiting activities. The reduction of the R&D Sergeant continues to cause delays in legislative analysis and in responding to requests for information. The reduction of the Recruiting Officer has resulted in temporary personnel assignments from other police areas to this unit as well as overtime use to address recruitment needs. (2004-2005)

18. Fire Non-Personal/Equipment Efficiencies

(189,104)

Fire Department

The reduction identified non-personal/equipment savings of \$189,104. A 2002-2003 budget action recognized ongoing savings of \$100,000 from the department's non-personal/equipment budget. Budget savings of \$50,000 in Fire Department supply costs resulted from the 2002-2003 transfer of fire hydrant maintenance from the Department of Transportation to City water service providers. The ownership and responsibility for maintenance of the fire hydrants was transferred from the City to the

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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PUBLIC SAFETY CSA (Cont'd.)

18. Fire Non-Personal/Equipment Efficiencies (Cont'd.)

Fire Department

water service providers. The Fire Department continues to ensure the integrity of the water pressure and flow of the water hydrants. The department took administrative actions in 2003-2004 to reduce the office supply budget to allow for additional cost savings and efficiencies of \$13,000. A 2004-2005 budget action reduced the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. This resulted in \$26,104 in savings to the Fire Department. No measurable reduction in current service levels resulted from the hydrant and cellular telephone actions. To offset the effect of reductions to non-personal/equipment, the Fire Department used its Fire Construction and Conveyance Tax (C&C) funds to continue the purchase of safety-related equipment and activities. Within the last six years, C&C funds have been appropriated for a variety of capital funding needs that were once General Fund supported reducing the capital funds for other programmatic and infrastructure needs in the future. (2002-2003, 2003-2004, 2004-2005)

19. Fire Wellness Program

(144,100)

Fire Department

A 2003-2004 budget action reduced contractual funding in the amount of \$144,100 for a full-time wellness coordinator used for high risk appraisals, including screening, program delivery and reassessments, and a monthly wellness newsletter for sworn personnel. Approximately \$92,000 remained for Wellness Program activities at reduced levels such as equipment maintenance, wellness assessments and reports, and end of the year program summary reports. The Wellness Program reduction reduced personal physical fitness and health awareness training assistance available to sworn personnel. Fire stations continue to be equipped with exercise equipment for the firefighters to continue self-directed physical fitness activities. Oversight of the exercise equipment at fire stations, however, was transferred to the Department Safety Officer. (2003-2004)

20. Project Crackdown Overtime Elimination

(137,800)

Police Department

This reduction eliminated overtime for Police Officer participation in Project Crackdown. This program provided an Officer working overtime in specific high crime and blighted areas to address the more serious police service needs in the area and surrounding neighborhoods. Project Crackdown has since evolved into the Strong Neighborhoods Initiative (SNI) and has the support of several City departments and police services. With this multi-departmental approach, issues previously addressed by the Project Crackdown program are now mitigated through the SNI program. (2003-2004)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
PUBLIC SAFETY CSA (Cont'd.)		
21. Office Emergency Services Staffing <i>Office of Emergency Services</i>	(1.00)	(101,292)
<p>This reduction eliminated 1.0 Senior Analyst. This resulted in (1) reduced training classes and disaster exercises offered to City staff; (2) no back-up for the Director for management of the Emergency Operations Center in the event of an emergency; (3) reduced management and supervision resulting in lower service levels in San Jose Prepared! (4) inconsistent fee collection and reduced website updates, curriculum revision, neighborhood outreach, database updates, and cessation of newsletter production; (5) removed capacity to add new projects, such as: County Public Health plans and programs for mass prophylaxis and pandemic flu; City annex to Association of Bay Area Government's Local Hazard Mitigation Plan to ensure the City is eligible to compete for federal mitigation funds; participation in creating the Regional Emergency Coordination Plan for the Bay Area, which is intended as a force multiplier in the event of a disaster. (2004-2005) Note: A Senior Analyst position was added in 2006-2007 to expand San Jose Prepared!</p>		
22. Crime Analysis Unit Position Reallocation <i>Police Department</i>	(1.50)	(79,630)
<p>The reduction and reallocation of positions in the Crime Analysis Unit deleted 2.0 Crime Data Specialist positions and 0.50 Office Specialist PT position, and added 1.0 Analyst position. Due to understaffing as a result of the reduction in positions and the increased complexity of analytical projects, the CAU has not been able to keep pace with incoming requests. In the last several years, the Unit has had to adjust the target relating to the number of completed requests processed by staff, with the number dropping from 3,000 to an estimated 1,500 requests completed in 2005-2006, resulting in more requests per staff member and longer turnaround times. Supervisory personnel had to assist staff on a regular basis in order to meet deadlines for investigative cases, City abatement initiatives, patrol operations, task forces, Strong Neighborhoods Initiative requests, Public Records Act requests, crime prevention meetings, and data-driven management processes. (2002-2003)</p>		
23. Fire Training <i>Fire Department</i>		(52,000)
<p>This action reduced the training funds in City-wide to be applied to the Fire Department's long range training strategy for fire operations and management. (2002-2003)</p>		
24. Community Based Organizations Funding <i>Police Department</i>		(41,770)
<p>This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Police Department and Office of the City Manager, this action reflected a reduction for the Victim Witness and Domestic Violence programs. (2003-2004, 2004-2005, 2005-2006)</p>		

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
PUBLIC SAFETY CSA (Cont'd.)		
25. Overtime and Non-Personal/Equipment Funding Efficiencies <i>Independent Police Auditor</i>		(14,212)
<p>This action reduced the Independent Police Auditor Office's overtime allocation and non-personal/equipment allocations in several categories. The reduced overtime funding has somewhat effected the number of community events staff has been able to attend. (2003-2004, 2005-2006, 2006-2007)</p>		
26. Emergency Services Non-Personal/Equipment Funding Efficiencies <i>Public Safety CSA/ Office of Emergency Services</i>		(10,500)
<p>This action recognized efficiencies in some areas of the Office's non-personal/equipment budget. The Office's supplies and materials, duplication, in-state and out-of-state travel, and training funding were reduced. The smaller funding level reduced participation in inter-agency coordination meetings. (2003-2004)</p>		
Public Safety CSA Total	(81.00)	(10,342,622)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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TRANSPORTATION & AVIATION SERVICES CSA

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|--|----------------|--------------------|
| 1. Pavement Maintenance Program | (22.30) | (3,320,535) |
| <i>Transportation Development</i> | | |

These actions eliminated 0.5 Engineering Trainee PT, 0.8 Senior Office Specialist, 2.0 Maintenance Assistant, 2.0 Maintenance Worker II, 2.0 Secretary, 2.0 Senior Maintenance Worker, 4.0 Maintenance Supervisor, and 9.0 Maintenance Worker I. Also, this action reduced non-personal/equipment funding for vehicle operating costs, asphalt and other pavement maintenance supplies, and materials for pavement sealing, while maintaining current service levels for pothole patching and other corrective work. As a result of these combined actions, the number of arterial and residential streets sealed have dropped from 173 miles to 72 miles, while the percent of streets in acceptable or better condition fell from 90% to 79%. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

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|---------------------------------------|----------------|--------------------|
| 2. Traffic Maintenance Program | (18.00) | (1,784,816) |
| <i>Transportation Development</i> | | |

These actions eliminated 11.0 maintenance positions, 6.0 Electricians, and 1.0 administrative position; reduced non-personal/equipment funding in supplies and materials; and reduced overtime funding. This action impacted traffic sign maintenance, roadway striping and markings maintenance, streetlight maintenance, and traffic signal maintenance. As the combined result of these actions, the percent of traffic signs meeting visibility and operational guidelines dropped to an estimated 80%, the percent of roadway markings meeting visibility and operational guidelines dropped to an estimated 65%, the percent of prescribed traffic signal preventive maintenance activities completed dropped to an estimated 33%, and the percent of time streetlights are repaired in seven days was reduced by 50%. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

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|--------------------------------------|--|--------------------|
| 3. City-Wide Sidewalk Repairs | | (1,697,489) |
| <i>Transportation Development</i> | | |

This reduction reduced funding for the City-Wide Sidewalk Repair Program by implementing a cap of \$500 on City-reimbursed sidewalk repairs (\$1,000 for corner lots). Although sidewalk repairs are the financial responsibility of property owners, the City provides grant funding to homeowners who occupy their own homes for sidewalk repairs and replacement. This action reduced the program allocation to a maximum 50% reimbursement for most applicants and a full grant reimbursement for approximately 25% of all grant applicants. (2003-2004, 2004-2005, 2005-2006)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
TRANSPORTATION & AVIATION SERVICES CSA (Cont'd.)		
4. Street Landscape Services <i>Transportation Development</i>	(4.45)	(1,481,566)
<p>These actions reduced contractual services and other non-personal/equipment funding for trees, landscapes, and sidewalks, and eliminated 0.35 Senior Maintenance Worker, 0.75 Maintenance Supervisor, 1.0 Assistant Arborist, 1.0 Senior Construction Inspector, and 1.35 Maintenance Worker II. In addition, funding for structural tree trimming, water, contractual landscape maintenance, and overtime were reduced. These eliminations resulted in the percent of street landscapes in good condition dropping from an estimated 85% to 65%, the percent of urban forest in optimal condition decreasing from an estimated 49% to 37%, and the percent of reported sidewalk damage repaired within 120 days dropping from 68% to 39%. Minor impacts in services at the Transit Mall are also noticed. As a result, the customer service rating declined from 95% to 75%. (2002-2003, 2003-2004, 2004-2005, 2005-2006)</p>		
5. Transportation Operations Services <i>Transportation Development</i>	(11.00)	(1,439,540)
<p>These actions eliminated 3.0 Senior Engineering Technicians, 1.0 Associate Engineering Technician, 1.0 Engineer, 1.0 Geographic Systems Specialist, 1.0 Principal Engineering Technician, 1.0 Senior Account Clerk, 1.0 Staff Specialist, 2.0 Associate Engineers, and some associated non-personal/equipment funding. In addition, contractual services and materials funding to install traffic calming devices in neighborhoods was reduced. As a result of these actions, the timeliness of response to signal timing complaints within 14 days dropped to 45%, and the completion rate of community traffic calming requests within 35 days dropped to 50%. (2003-2004, 2004-2005, 2005-2006)</p>		
6. Police Traffic Enforcement Staffing <i>Police Development</i>	(7.00)	(888,980)
<p>These actions reduced Traffic Enforcement overtime by \$150,000 and reduced staffing in the Police Department's Traffic Enforcement Unit (TEU) by one team, or by 12%. With seven TEU teams remaining, Traffic Calming and Operation Safe Passage continued at a reduced level of response and service. In addition to the reductions in TEU, workload demand increases resulted in decreased complaint response. Only 20% of the traffic complaints are responded to within two weeks, and only 47% of the complainants rate service at four or better. In 2005-2006, TEU received 363 traffic complaints. TEU has already received 337 complaints through the first half of 2006-2007. Special event hours that TEU staff attend were projected to be 9,000 for 2006-2007; however, the current year total is now estimated at 13,370 hours. (2003-2004, 2005-2006)</p>		

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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TRANSPORTATION & AVIATION SERVICES CSA (Cont'd.)

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| 7. Strategic Support Staffing
<i>Transportation Development</i> | (4.00) | (390,276) |
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These actions eliminated 1.0 Analyst, 1.0 Secretary, 1.0 Staff Specialist, and 1.0 Staff Technician along with \$30,000 in overtime, \$71,000 in supplies and equipment, and made minor adjustments to the funding for 4.0 positions to more accurately reflect the work that was being performed by these positions in the Transportation Department. These positions provided strategic support including safety, training, personnel, and financial services for the entire department as well as the Director's Office. The non-personal/equipment reduction has limited availability of specialized training and some computer replacement equipment. As a result, effective hiring, levels of training, fiscal management, employee recognition, and safety-related services were reduced. (2003-2004, 2004-2005)

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| 8. Alternate Work Program
<i>Transportation Development</i> | (4.00) | (252,626) |
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This action reorganized the Alternate Work Program (AWP) in the Street Landscape Maintenance Core Service by eliminating 1.0 Senior Maintenance Worker and 1.0 Maintenance Worker I, adding 1.0 Maintenance Worker II, and reducing a portion of the non-personal/equipment allocation. In addition, 3.0 Maintenance Worker II were also eliminated as part of the 100 Vacant Positions Elimination Plan in 2004-2005. The Senior Maintenance Worker coordinated, led, and supervised the AWP which utilizes free inmate labor to perform simple landscaping and litter pickup activities. Because the program was reduced in December 2002 from a 7-day per week program to a 5-day per week program, the need for this Senior Maintenance Worker was lessened since there was another Senior Maintenance Worker in the program. Due to differences in job specifications, the Maintenance Worker I position is not able to help in the coordination and transportation of the AWP participants whereas the Maintenance Worker II was able to provide this service and help mitigate the impact of the loss of the Senior Maintenance Worker position. The remaining three position eliminations have impacted the Alternate Work Program and landscape maintenance. It is expected that the percentage of street landscapes maintained in good or better condition will fall to 65%. The 26 acres of landscapes and turf medians currently receiving high levels of maintenance would return to standard maintenance levels. Other impacts have included higher levels of litter, weeds, and debris and slower response times to complaints. (2004-2005, 2006-2007)

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| 9. Transportation Planning
<i>Transportation Development</i> | (3.00) | (182,844) |
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This action eliminated 1.0 Associate Engineer, 1.0 Associate Engineering Technician, and 1.0 Engineering Technician from transportation planning. Staff support responding to requests for new traffic signals and geometric design as well as support for local policy and planning was reduced. (2004-2005, 2006-2007)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
TRANSPORTATION & AVIATION SERVICES CSA (Cont'd.)		
10. Off-Street Parking Program Efficiencies <i>Transportation Development</i>	(3.00)	(140,026)
<p>This action eliminated 1.0 Analyst, 1.0 Associate Engineering Technician, and 1.0 Senior Account Clerk and reduced non-personal/equipment funding primarily in contractual services. The positions and contractual funding had supported the revenue collection and management process, but given the installation of new revenue control equipment in four garages, as well as efficiencies that are being introduced in the revenue collection and management process, the need for previous levels of oversight had been reduced. As a result of technology and efficiencies in the Parking Services fiscal section, work performed by the positions was absorbed by existing staff. Impacts of the staffing and contractual service reductions were minimal. (2003-2004, 2004-2005)</p>		
11. Contractual Street Tree Planting <i>Transportation Development</i>		(60,000)
<p>This action reduced the contractual funding for planting and trimming young trees in developments. The planting and trimming occurs periodically over the first several years of the trees' lives, and is paid for by developers. The action maintained the level of services provided for developers; however, contractual funding for the services was reduced and instead a portion of the planting and trimming work is now being performed in-house. As a result, the number of mature trees that City crews are able to maintain has been reduced. (2003-2004)</p>		
12. Community Based Organizations Funding <i>Transportation Development</i>		(36,464)
<p>This action reduced funding for community based organizations by the same average percentage reduction as approved for non-public safety city service areas. For the Transportation Department, this action reflected a reduction to Our City Forest. (2003-2004, 2004-2005, 2005-2006)</p>		
Transportation & Aviation Services CSA Total	(76.75)	(11,675,162)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA

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|------------------------------------|----------------|--------------------|
| 1. Facilities Maintenance | (14.00) | (2,378,634) |
| <i>General Services Department</i> | | |

Since 2002-2003, the Department's non-personal/equipment budget for Facilities Maintenance has been reduced by \$683,000. Additionally, contractual custodial services and floor care contractual services have been reduced by \$665,447. This reduction also eliminated 4.0 Custodians, 1.0 Senior Custodians, 1.0 Electrician, 1.0 Office Specialist, 3.0 Maintenance Workers, 1.0 Senior Air Conditioning Mechanic, 1.0 Carpenter, 1.0 Senior Maintenance Worker, and 1.0 Electrician. The elimination of these positions resulted in decreased maintenance of some facilities, in the number of non-health and safety work orders completed, and in capacity to support capital project development. This reduction also impacted the preventive maintenance program, increasing maintenance cycle times. As a result of the reduced custodial staff, cleaning frequency of City facilities has been cut in half, and floor care must be performed by in-house staff at a lower frequency rate. Since 2002-2003, the % of customers rating service as very good or excellent has decreased from 90% to 80%. Overall, in the last five years, there has been a downward trend in cycle times for mitigating health and safety concerns within 24 hours, in the percentage of buildings rated by the public as good or excellent, and in the percentage of facilities rated by staff as being in good or excellent condition. (2002-2003, 2003-2004, 2005-2006, 2006-2007)

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| 2. Health and Safety | (8.00) | (1,215,735) |
| <i>Human Resources Department</i> | | |

These actions reduced staffing levels and non-personal/equipment funding in the Health and Safety Core service by \$1,215,735. A total of 1.0 Senior Office Specialist, 1.0 Risk & Loss Control Manager, and 1.0 Workers' Compensation Adjuster in the Workers' Compensation Division were eliminated. In addition, 2.0 Analyst, 1.0 Administrative Officer, 1.0 Senior Medical Assistant, and 1.0 Medical Assistant were eliminated, resulting in decentralization of safety efforts to departments and reduced safety training. Contractual services in the core service were reduced by \$440,500; and previously provided services, such as hazard assessments, wellness and fitness/training, workers' compensation, and information updates, were assumed by in-house staff, further adding to their already full workloads. Finally, non-personal/equipment funding related to the Return-to-Work Program and the Commercial Driving Program (\$50,000) was also reduced. As a result of these actions, cycle times, quality, and customer satisfaction levels have deteriorated. With reduced resources, staff has focused solely on claims processing versus proactive claims management, and safety classes and training have been significantly reduced (safety training and ergonomic evaluations dropped from 300 in 2005-2006 to an estimate of 100 in 2006-2007). (2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA (Cont'd.)

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|-----------------------------------|---------------|--------------------|
| 3. Employment Services | (8.00) | (1,011,922) |
| <i>Human Resources Department</i> | | |

These actions reduced staffing levels and non-personal/equipment funding in the Employment Services Core Service by \$1,011,922. A total of 2.0 Office Specialists, 2.0 Senior Analysts, 1.0 Analyst, 1.0 Senior Office Specialist, 1.0 Office Specialist, and 1.0 Exam Assistant PT were eliminated, negatively impacting the Department's ability to achieve the City's recruitment and hiring needs. In addition, non-personal/equipment funding for City-wide marketing to promote the "City as the Employer of Choice" and other departmental marketing funds, test publishing services, and fingerprinting services were eliminated, further compounding recruitment and hiring challenges. As a result of these actions, average cycle times for filling vacant positions have increased from 69 to 80 days. In addition, candidate pools for City-wide classifications were not updated for over three years, forcing departments to engage in lengthy position-specific recruitments. Quality of work has also deteriorated due to reduced staffing, and errors have increased in transactional areas like payroll and PeopleSoft. In order to address these reduced service levels, a position has been restored on a one-time basis in 2006-2007. Finally, customer satisfaction has decreased, resulting in increased complaints moving forward to the Civil Service Commission. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

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| 4. Information Technology Customer Support Staffing | (6.90) | (878,974) |
| <i>Information Technology Department</i> | | |

A reduction in the amount of \$200,000 eliminated all consulting services for the Department. This reduction resulted in an overall decrease in the amount of technical knowledge of the Department as well as the elimination of specialized project management, independent studies, and mentoring programs. Also eliminated were 0.90 Telecommunications Specialist, 1.0 Systems Application Programmer, 1.0 Account Clerk, 1.0 Senior Computer Operator, 1.0 Supervising Applications Analyst, and 2.0 Information Systems Analysts. The elimination of a Telecommunications Specialist contributed, and still contributes, to the Department's inability to efficiently manage Telecommunication operations. This reduction slowed the Department's ability to transition City staff to Nortel VoIP technology. These position eliminations have also reduced the Department's capacity to perform significant information technology projects (such as advancing the GIS Integration Project and miscellaneous E-Government projects), do preventative systems maintenance, provide technical support and trouble-shooting, and provide timely administrative support. As a result of these reductions, the % of customers rating customer support as good or excellent based on timeliness and quality service was estimated to decrease from 89% in 2002-2003 to 77% in 2006-2007. (2002-2004, 2003-2004)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
STRATEGIC SUPPORT CSA (Cont'd.)		
5. Strategic Support Staffing <i>Finance, General Services and Human Resources Departments</i>	(9.33)	(815,230)
<p>This reduction eliminated 9.33 Strategic Support positions in the Finance (3.83 positions), General Services (2.0 positions), and Human Resources Departments (3.50 positions). As a result of reductions to the Finance Department, cycle times for administrative and analytical duties have increased and internal financial analyses and reports have been delayed. In the General Services Department, Strategic Support staffing reductions have resulted in increased cycle times for invoice payments, particularly for department-specific and city-wide invoice payments as well as the redeployment of limited resources to focus on the highest administrative priorities. In the Human Resources Department, budget-related and personnel responsibilities have been shifted to remaining staff, limiting the department's ability to actively manage the training program, and increasing cycle times related to personnel issues. (2002-2003, 2003-2004, 2004-2005, 2005-2006)</p>		
6. Public Works Administration and Departmental Operations <i>Public Works</i>		(808,795)
<p>This action reduced the General Fund non-personal/equipment budget by \$208,962 and the overtime budget by \$68,692. In addition, \$102,475 in non-personal/equipment costs and \$184,322 in Professional Development Program costs have been shifted to the Public Works Program Support Fund, and 2.68 positions have been shifted from the General Fund to the capital program. As a result, some public information services have been absorbed into the Development Fee Program, and capital programs that the Public Works Department supports have experienced higher charges; either directly or via the Public Works Program Support Fund. Part of the non-personal/equipment reduction resulted in reduced levels of training and the elimination of equipment replacement. Equipment replacement, mostly computer related, has been deferred until equipment failure which often interrupts daily work production and delays work product delivery. Essential non-personal/equipment budget needs have been transferred to the Public Works Capital Program Support Fund, which has increased costs for the delivery of capital projects. The overtime has been charged to capital projects or the Development Fee program, which has resulted in higher capital project cost and higher fees charged to private developers. (2003-2004, 2004-2005, 2005-2006, 2006-2007)</p>		
7. General Fleet Vehicle Replacement <i>General Fund Capital, Transfers and Reserves</i>		(750,000)
<p>This reduction permanently reduced the previous level of funding from the General Fund for non-public safety, general fleet vehicle replacements. (2005-2006)</p>		

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA (Cont'd.)

8. Fleet Maintenance	(5.00)	(728,171)
<i>General Services Department</i>		

Since 2002-2003, contractual services have been reduced by \$562,500. Also eliminated were 1.0 Accountant, 3.0 Equipment Maintenance Assistants, and 1.0 Mechanic. In addition to these reductions, the Department has faced its fifth consecutive year in which general fleet replacements have been frozen. With a freeze on vehicle replacements, the Department has found it increasingly more difficult to keep its current fleet operational. The lack of vehicle and equipment replacement, staff, and contractual services reductions have contributed to the downward trend in both fleet availability and the % of repair and preventative maintenance work orders completed within 24 hours. The % of preventative maintenance service and repair work orders completed within 24 hours decreased from 70% in 2002-2003 to 59% in 2005-2006. Additionally, the total number of preventative maintenance work orders has decreased from 7,399 in 2003-2004 to a forecasted 6,595 in 2006-2007. (2002-2003, 2003-2004, 2005-2006, 2006-2007)

9. Financial Management	(7.17)	(616,849)
<i>Finance Department</i>		

These reductions eliminated 7.17 positions in the Financial Management and Financial Reporting core services. Positions eliminated include 1.0 Division Manager, 1.0 Principal Accountant, 1.0 Insurance Analyst, 1.17 Secretary, 1.0 Administrative Officer, and 2.0 Accountants. In addition, \$22,000 in contractual services funding for trustee and financial advisor services was reduced. These eliminations have reduced oversight, management and support of payroll services, revenue enhancement, compliance and collection services, and Debt and Risk Management administration. As a result of these reductions, cycle times and quality of work have significantly decreased as existing staff has assumed the responsibilities of these positions. In turn, customer satisfaction has also decreased. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

10. Strategic Planning	(4.75)	(580,959)
<i>Information Technology Department</i>		

This reduction decreased the Department's training allocation by \$30,000, representing a 13% decrease in the Department's total training budget. This training reduction has contributed to the Department's inability to support new applications as well as increased the amount of job dissatisfaction. This reduction also eliminated 1.0 Network Engineer, 1.0 Deputy Director, 1.25 Analyst II positions, 1.0 Staff Specialist, and 0.50 Senior Account Clerk. As a result of this reduction, the Department lost an Asset Management Program. The City has no means to track PCs, licenses and other technology equipment. This has caused both warranty non-compliance and duplicate license payments. Also as a result of this reduction, the City no longer has a centralized cell phone program and centralized cell phone data is no longer tracked, nor is there a subject matter expert in the City. Because of the reduced Network Engineer staffing, many of our City's operating systems are two full revisions behind in vendor mainstream support. Without a Deputy Director, the E-Government initiative has been postponed and the Recreational E-Commerce System (RECS) program has already been delayed 4 years. (2003-2004, 2004-2005)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
STRATEGIC SUPPORT CSA (Cont'd.)		
11. Public Safety Applications Support <i>Information Technology Department</i>	(4.10)	(391,096)
<p>This reduction eliminated 2.0 Senior Systems Application Programmers, 1.10 Information Systems Analyst, and 1.0 Systems Application Programmer. As a result of these reductions, the Police Department's Automated Information System (AIS) has progressed at a much slower pace than desired, leaving the Police Department without valuable informational reports. In 2003-2004, 7 positions supported the Police Department; in 2006-2007 only 4 positions remain. Additionally, 53 of the Police Department's databases are currently unsupported. This reduction also resulted in the continued delay of a Fire Inspection Billing system migration or upgrade. (2003-2004, 2004-2005)</p>		
12. Purchasing Staffing <i>Finance Department</i>	(5.00)	(375,934)
<p>These reductions eliminated 2.0 Warehouse Workers, 1.0 Analyst, 1.0 Senior Office Specialist, and 1.0 Archivist. One Warehouse Worker reduction caused a reorganization of U.S. mail and inter-office mail processing due to eliminated mail routes to community centers and fire battalions, and by replacing departmental communications with e-mail, fax, US postal service, and courier services. As a result of these actions, staff from community centers and fire stations assumed these responsibilities, diverting time from their current duties. The other positions supported the Central Service Yard Warehouse, the Stores Fund, purchasing services, and materials management. (2002-2003, 2003-2004, 2004-2005, 2005-2006)</p>		
13. Training Program <i>Human Resources Department</i>	(1.00)	(346,159)
<p>These reductions eliminated 1.0 Senior Analyst and reduced funding for the City-Wide Training Program in the Training and Development Core Service (\$346,159). As a result of this action, the breadth and scope of employee training has been reduced, and both technical and non-technical classes have been greatly reduced. Funding for Training & Continuous Improvement was reduced by \$250,000 resulting in the elimination of classes and focusing solely on management development and three core components: Leadership and Supervision Academies, New Employee Orientation, and computer classes. In addition, customer satisfaction has decreased as the number of training classes offered dropped from 319 in 2002-2003 to an estimated 160 in 2005-2006 and the number of training attendees fell from 3,683 in 2002-2003 to an estimated 1,222 in 2005-2006. (2003-2004, 2004-2005)</p>		

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA (Cont'd.)

14. Accounting Staffing	(5.00)	(343,532)
<i>Finance Department</i>		

These reductions eliminated five positions in the Accounting Division of the Finance Department. Positions eliminated include 1.0 Principal Account Clerk, 1.0 Accountant II, 1.0 Accounting Technician, and 2.0 Senior Account Clerks. Some of these duties in the Accounting Division have been redistributed to other positions; while other duties have been either reduced or not completed, such as reconciliation of various accounting reports and resolution of continued large balances in the "dump" and suspense accounts (i.e. payroll and benefit charges to other departments and funds). The elimination of the two Senior Account Clerks resulted in decentralization to other City departments of travel and credit card expenses related to compliance monitoring. As a result of a recent internal audit of the City's credit card (procurement card), the City Auditor determined that Finance will need to enhance its compliance review of credit card activity. In addition, responsibility of data entry for cash collections and wire transfers has also been decentralized to each department throughout the City. As a result of these reductions, quality of work and customer satisfaction has decreased. (2002-2003, 2003-2004, 2004-2005, 2005-2006)

15. 24/7 Information Technology Support	(3.50)	(287,295)
<i>Information Technology Department</i>		

This reduction eliminated 1.0 Computer Operator II, 1.0 Senior Computer Operator, 1.0 Computer Operator, and 0.50 Office Specialist. These positions facilitated 24/7 support of the network and enterprise applications as well as provided administrative support for the department. This reduction has resulted in the Department's inability to monitor systems during non-business hours. Currently, there is no on-site point of contact if system help is needed during non-business hours. For non-business hour assistance, the Department has been required to use overtime on an as-needed basis, responding only to emergencies such as system outages and overheating. Without this 24/7 support, the Department is unable to perform report production jobs at night and nighttime system maintenance is no longer possible by City staff. With limited resources positioned to address system issues and perform recommended maintenance, the City continually risks the health of the network and is required to rely on overtime for emergencies. When regular personnel is used for night and weekend emergencies, this leaves the Department with reduced personnel during regular work hours, deferring IT projects and daily operations until time is available. As a result, end-users experience delayed responsiveness, leading to decreased productivity and decreased customer satisfaction. (2002-2003, 2004-2005)

16. Labor Compliance Funding Shift and Staffing Reduction	(4.00)	(258,867)
<i>Public Works Department</i>		

This reduction eliminated 2.0 Contract Compliance Specialists, 1.0 Contract Compliance Coordinator, and 1.0 Contract Compliance Assistant from the Office of Equality Assurance. The cumulative effects of reductions to this section have changed the service delivery model for labor compliance. For service and maintenance contracts, work classification determinations are not issued and contracts

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA (Cont'd.)

16. Labor Compliance Funding Shift and Staffing Reduction (Cont'd.)

Public Works Department

under \$30,000 are no longer monitored. For service and maintenance contracts between \$30,000 and \$75,000, only labor compliance documents are collected, and service and maintenance contracts greater than \$75,000 are monitored as before. Construction contracts less than \$2 million and all developer/turnkey projects are no longer monitored. In addition, response times for identifying labor compliance issues and violations, assuring compliance by contractors, and recovering back wages for affected workers have been reduced. In 2003-2004, 414 new contracts, with prevailing wage/living wage requirements, were awarded for a total of \$195 million. All 414 contracts were monitored; of these contracts, 94 labor compliance violations were identified (500 employees were underpaid; \$700,000 was paid to affected workers). In 2004-2005, 401 new contracts, with prevailing/living wage requirements were awarded for a total of \$195 million. All 401 contracts were monitored as a result of delayed vacations for staff and increased usage of overtime. In 2005-2006, 518 new contracts, with prevailing/living wage requirements were awarded for a total of \$248 million. 187 of these contracts, worth \$21.3 million, were not monitored due to further staffing reductions. Of the contracts that were monitored, 80 labor compliance violations were identified (448 employees were underpaid; \$465,000 was paid to affected workers). (2003-2004, 2005-2006)

17. Radio Communications	(2.25)	(210,287)
<i>General Services Department</i>		

This reduction eliminated 1.0 Communications Systems Manager, 0.25 of an Analyst II, and 1.0 Communications Technician. These positions provided oversight and strategic planning in the area of radio services, and asset management, developed policies and procedures, provided general support to the Information Technology Planning Board, as well as performed repairs and replacements on City and Public Safety radio equipment. As a result of this reduction, workload for existing staff increased, causing many projects to be placed on hold until higher prioritized projects were completed. Without a Communications Systems Manager and Analyst, the Department has been unable to proactively address both radio frequency upgrades and collaborative City-wide and County-wide initiatives, resulting in lost opportunities and technical advancements. (2003-2004)

18. Ready Response Team Elimination	(2.00)	(194,960)
<i>Public Works Department</i>		

This reduction eliminated two positions (1.0 Associate Engineer, 1.0 Structure/Landscape Designer) which comprised the Public Works Ready Response Team. These positions were approved in 2001-2002 as a strategy for responding quickly to sudden and unanticipated needs for facilities that occur during the fiscal year, such as projects recommended in the Mayor's June Budget Message. Since these unanticipated projects are often prioritized as high priority projects, the service has been performed but charged to the GF Unfunded Appropriation, the Redevelopment Agency Non-Project Specific Appropriation, and the Public Works Capital Program Support Fund. This reduction has caused delays in delivering capital projects to the extent that funding in those appropriations is not available. (2003-2004)

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
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STRATEGIC SUPPORT CSA (Cont'd.)

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|---|------------------|
| 19. 1970, 1980, 1990 COLA for Federated and Police and Fire Retirees
<i>City-Wide</i> | (112,640) |
|---|------------------|

This action reduced the 1970, 1980, 1990 cost of living adjustments reimbursement by the General Fund. Beginning in 2003-2004, the Police and Fire Retirement Plan assumed the remaining liabilities in its plan. The reduction to the Federated Plan aligned costs based upon need. (2003-2004)

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|---|-----------------|
| 20. Employee Enhancement Referral Program For Child and Elder Care
<i>City-Wide</i> | (56,100) |
|---|-----------------|

This action eliminated funding for the Child Care and Elder Care Referral Service. This service was designed to provide referral services to City employees, including individualized child care and/or elder care placement assistance. (2003-2004)

Council Appointees

- | | | |
|---|---------------|------------------|
| 1. City Manager's Office Staffing
<i>Office of the City Manager</i> | (7.75) | (828,922) |
|---|---------------|------------------|

This reduction eliminated 1.0 Office Specialist, 1.0 Deputy City Manager, 1.0 Administrative Assistant, 2.0 Senior Executive Assistants and 1.0 Analyst, and redeployed 1.0 Administrative Assistant and .75 Deputy City Manager to support capital projects. The duties of these positions were reassigned and prioritized. They included support to the Mayor's Office and Councilmembers, liaison, direction and support for departments and CSA teams, analyzed and provided support for work with bargaining units, advice for departments on disciplinary issues and other labor relations processes, and other administrative activities. Cycle times and the ability to respond to unplanned projects and issues have been impacted. (2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007)

- | | | |
|--|---------------|------------------|
| 2. Attorney's Office Staffing
<i>Office of the City Attorney</i> | (7.00) | (443,646) |
|--|---------------|------------------|

This reduction eliminated 1.0 Associate Legal Analyst, 2.0 Legal Analysts, 2.0 Legal Administrative Assistants, and 2.0 Account Clerks. The Office has been challenged to meet daily operational needs with a reduced staff as the demand for legal services has not decreased over the prolonged economic downturn. Assignments for the Legal Analysts have been reallocated to the remaining staff, resulting in a workload that has been difficult to sustain. The attorneys are performing tasks that would typically be handled by the Analysts, which is not an efficient use of resources. The ratio of Attorneys to Legal Administrative Assistants is 4:1, additionally, each of the Assistants is responsible for supplementary project assignments; a better practice would be to maintain a ratio of 3:1. Despite these challenges and through the extraordinary efforts of staff, the service impact to the clients has

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
STRATEGIC SUPPORT CSA (Cont'd.)		
<i>Council Appointees (Cont'd.)</i>		
2. Attorney's Office Staffing (Cont'd.)		
<i>Office of the City Attorney</i>		
<p>been minimal as evidenced by annual client surveys that reflect a high client satisfaction level. The Office has also benefited from an internship program under which volunteer law students and recent law school graduates have provided valuable assistance. Accounting assignments have been modified to address the reduction in Account Clerks. This transition has been successful. (2003-2004, 2004-2005, 2005-2006)</p>		
3. Equipment and Computer Reserves		(350,000)
<i>Office of the City Manager</i>		
<p>This action reduced by 50% the amount that was set aside annually for the purchase of new and replacement computer and equipment needs of the organization. (2003-2004)</p>		
4. Customer Service Call Center	(5.00)	(272,000)
<i>Office of the City Manager</i>		
<p>This action reduced staffing in the Customer Service Call Center. An audit of the Customer Service Call Center indicated that expenses could be reduced without a major adverse impact to customer service levels by contracting with an answering service to answer off-peak calls. This resulted in the elimination of 2.0 Program Supervisors and 3.0 Senior Office Specialist positions. It also changed the operating hours from 24/7 (168 hours) to a total of 91 hours. (2003-2004)</p>		
5. Community Report Card		(220,400)
<i>Office of the City Manager</i>		
<p>This action eliminated the printing of the Inside San José newsletter, which was distributed to all City residents twice per year describing the City's programs and services. (2004-2005)</p>		
6. Clerk's Office Administrative Support Staffing	(3.50)	(215,735)
<i>Office of the City Clerk</i>		
<p>This reduction eliminated 1.0 Analyst, 0.50 Senior Office Specialist PT, and 2.0 Office Specialist II positions, leaving the office staffed with 14.5 positions. Remaining staff have absorbed all of the legal responsibilities, contract processing, and administrative support provided by these positions. As part of this reduction, the Call Center was originally intended to provide telephone assistance in answering the many phone calls that relate to government services outside the City Clerk's functions. However, with the Call Center absorbing Utility Billing services and subsequently experiencing significant customer call delays, this objective was not achieved and the Office of the City Clerk continued as a main point of contact. While staff has been committed to maintaining service levels in all areas of administrative support, these reductions increased an already full workload for the Office's remaining staff, who are operating at full capacity. (2003-2004, 2004-2005)</p>		

CITY OF SAN JOSE

2002-2003 through 2006-2007 Major General Fund Reductions

Approved Changes	Positions	General Fund (\$)
STRATEGIC SUPPORT CSA (Cont'd.)		
<i>Council Appointees (Cont'd.)</i>		
7. City Manager's Office Non-Personal/Equipment Efficiencies and City-Wide Activities <i>Office of the City Manager</i>		(213,187)
<p>This reduction reduced funding for non-personal/equipment expenditures including supplies, travel, meals, marketing, consulting, and Customer Service Call Center Administration, and Management Training, and Public Outreach activities in City-Wide. Efficiencies over the previous years had reduced spending, so this reduction had only minor effects on service levels. (2003-2004, 2004-2005, 2005-2006)</p>		
8. Audit Staffing Resources <i>Office of the City Auditor</i>	(2.00)	(211,275)
<p>This reduction eliminated 1.0 Supervising Auditor position and 1.0 Sr. Office Specialist position and reallocated a Program Performance Auditor II to a Program Performance Auditor I position. The duties of the Supervising Auditor and Sr. Office Specialist positions were reassigned and absorbed by other staff. The reduction of 1.0 Sr. Office Specialist position resulted in the Executive Assistant to the City Auditor and another Sr. Office Specialist position absorbing the duties of this position. As a result, when one of these staff members is absent, it puts a workload strain on the other position and leaves the Office with no administrative support back-up, and has delayed report production in some instances. The reduction of 1.0 Supervising Auditor position has had a more significant impact on office operations. The remaining three Supervising Auditor positions have absorbed most of this position's routine duties. This has significantly expanded the workload and span of control for the three remaining supervisors. In addition, the three remaining Supervisors have less time to supervise the Office's Program Performance Auditors I and II, and Senior Program Performance Auditors. (2004-2005, 2005-2006)</p>		
9. Attorney's Office Non-Personal/Equipment Efficiencies <i>Office of the City Attorney</i>		(101,307)
<p>This reduction action reduced the Office's non-personal/equipment budget. A significant amount of this reduction was earmarked for outside experts and consultants utilized for complex and specialized litigation matters. The Office has adjusted expenditures related to training, travel, supplies, and legal resources to minimize the impact on hiring experts and consultants necessary to advocate the City's position. (2006-2007)</p>		

CITY OF SAN JOSE

**2002-2003 through 2006-2007
Major General Fund Reductions**

Approved Changes	Positions	General Fund (\$)
STRATEGIC SUPPORT CSA (Cont'd.)		
<i>Council Appointees (Cont'd.)</i>		
10. Employee Services Consolidation and Redeployment <i>Office of the City Manager</i>	(1.00)	(91,199)
<p>This reduction eliminated a Disability Access Coordinator position that moved to the City Manager's Office from the Office of Equality Assurance as part of the Employee Services Consolidation. The functions of this position were closely related to work being done in the Office of Employee Relations, particularly in the areas of responding to and investigating employee complaints. This action did not affect the City's commitment to accessibility and equal opportunity for persons with disabilities. Through efficiencies and merged resources, the services involved continued to be delivered at the same level of quality at a lower cost. (2002-2003)</p>		
11. Student Intern Program Hours <i>Office of the City Auditor</i>		(46,715)
<p>This action reduced work hours for the Office's Student Intern Program. The Office has amended the Program's structure, thereby reducing the number of student intern hours needed. The restructuring of the Student Intern Program has kept the impact of the budget reduction to a minimum. (2005-2006, 2006-2007)</p>		
12. Clerk's Office Non-Personal/Equipment Efficiencies <i>Office of the City Clerk</i>		(33,429)
<p>This reduction reduced funding for various non-personal/equipment expenditures due to anticipated efficiencies, including supplies and materials, postage, printing/duplicating, computer software upgrades, local travel, and training. Savings in duplicating costs and postage expenses as the result of greater reliance on e-mail and web posting of documents and on-line availability of campaign finance disclosure forms and lobbyist reporting forms have been partially realized. However, the majority of campaign and lobbyist filers continue to do so manually, so these cost savings have not yet been fully realized and have resulted in the need to shift funds from other non-personal/equipment items. Additionally, the assimilation of new staff places demands on remaining training resources with approximately 50% staff turnover in 2006. Increased costs for supplies, materials, printing and mailing costs have impacted available resources. (2003-2004, 2005-2006, 2006-2007)</p>		
Strategic Support CSA Total	(116.25)	(15,389,954)
Major General Fund Reductions Grand Total	(635.80)	(69,249,085)