

**PRELIMINARY
REDUCTION IDEAS for
FY 2009-2010**

**Achieve Service Delivery
Efficiencies**

TARGET: \$500,000 Reduction
Citywide

Proposal Considerations

Review service delivery models to achieve further efficiencies, including streamlining and program auditing.

**Reduce Rate of Growth in
Personnel Costs**

TARGET: \$7,000,000 - \$8,000,000 Reduction
Citywide

Proposal Considerations

Reduce personnel costs annually through strategies and/or ideas achieved through labor negotiations with City employee unions, such as salary and benefit terms.

Note: Can only occur through successful labor negotiations with employee bargaining groups.

**Achieve Savings Through
Reducing Recently Implemented
Open Government Initiatives**

TARGET: \$250,000 Reduction
Citywide

Proposal Considerations

- This proposal would result in service delays associated with maintaining and retaining public records and the production of public meeting minutes.
- The large majority of open government initiatives would be maintained.

**Postpone Opening of Public
Facilities Scheduled During FY
2009-2010**

TARGET: \$3,800,000 Reduction
Citywide

Proposal Considerations

This proposal includes certain libraries, park and recreation facilities, transportation infrastructure, and the Police Substation.

Suspend Hiring of Additional Police Officers

Option A: Suspend hiring of 25 additional Police Officers for FY 2009-2010. **TARGET:** \$1,800,000 Reduction

Option B: Suspend hiring of 25 additional Police Officers and redeploy up to 25 existing officers by hiring lower cost civilian employees to perform administrative functions. **TARGET:** \$550,000 Reduction

Choose 1 Option

Public Safety

Proposal Considerations

- Option A: Would suspend Council's action to add 25 Police Officers for FY 09-10.
- Option B: Gained efficiencies and lower personnel costs for civilian employees. Better use of police officer time.
- The saving amounts in this proposal reflect the period January – June 2010. The total cost savings for FY 2010-2011 would be \$3.1 M for Option A and \$1.1 M for Option B.

Eliminate Police Officers' response to Non-Injury Accidents

TARGET: \$400,000 Reduction

Public Safety

Proposal Considerations

- About one-half of calls for non-injury accidents result in Police Department generating a report.
- Proposal results in better use of police officer time.
- Current Policy would need to be changed to allow non-response to the non-injury accidents. Citizens would be directed to exchange information and file a report online for insurance purposes.

Reduce by 50% the School Liaison Unit

TARGET: \$1,000,000 Reduction

Public Safety

Proposal Considerations

- Currently every high school, and some middle schools directly, pays for police officers that work at schools daily and the City provides some police officer security service coverage.
- This proposal would result in schools providing funding for their own security to prevent youth violence on school campuses.

Eliminate the Crime Prevention Unit

TARGET: \$750,000 Reduction

Public Safety

Proposal Considerations

The Crime Prevention Unit provides direct services through crime prevention programs for youth, adults and the community: Neighborhood Watch, Safe Alternatives to Violence Education, Child fingerprinting, safety seat inspections, Junior Crime Busters, and various youth outreach and education.

School Crossing Guard Program

Option A: Eliminate School Crossing Guard Program. **TARGET:** \$1,500,000 Reduction

Option B: Implement a 50% cost sharing model with schools and families. **TARGET:** \$750,000 Reduction

Choose 1 Option

Public Safety

Proposal Considerations

- School Crossing Guard Program helps protect children on their way to school.
- School Safety Crossing Guards are currently responsible for 101 intersections in San Jose.

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| <p style="text-align: center;">Reduce General Government (Strategic Support Services) Budget</p> <p>TARGET: \$3,000,000 Reduction</p> <p style="text-align: right;"><i>Citywide</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <p>Proposal would reduce the budgets for general government functions, such as: General Services (non-Animal Services), Finance, Human Resources, Information Technology, Public Works (non-development related), City Council, City Attorney, City Manager, Independent Police Auditor, City Clerk, and City Auditor.</p> |
| <p style="text-align: center;">Eliminate Police Horse Mounted Unit</p> <p>TARGET: \$1,500,000 Reduction</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Impacts would be crowd control, police presence at community events, and patrolling at parks, but would be offset by reducing patrol staffing levels. • Unless staffing is shifted from the Patrol Unit, this proposal would eliminate the last Police Horse Mounted Unit. |
| <p style="text-align: center;">Reduce Metro Unit by One Team</p> <p>TARGET: \$1,000,000 Reduction</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • The proposed Metro Unit provides response to graffiti, homeless encampments, back up homicide investigation, surveillance, and narcotic enforcement. <ul style="list-style-type: none"> • The Police Department would be left with 6 Metro Unit Teams to provide the above services citywide and additional resources would be pulled from Patrol Unit to supplement the work of the Metro Unit. |
| <p style="text-align: center;">Eliminate 1 Traffic Enforcement Unit (TEU) Team</p> <p>TARGET: \$800,000 Reduction</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Reduces response time to non-fatal traffic accident investigations and fewer neighborhood traffic calming efforts. • This proposal results in 5 TEU Teams to provide citywide coverage. |
| <p style="text-align: center;">Reduce Lower Priority Police Investigative Functions</p> <p>TARGET: \$1,000,000 Reduction</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <p>Would delay response to credit card and check fraud, auto theft, traffic, burglary, and technology investigations.</p> |

Provide one Firefighter-Paramedic per Fire Engine

TARGET: \$600,000 Reduction

Public Safety

Proposal Considerations

- This proposal would reduce the number of fire engines/trucks staffed with a firefighter/paramedic to the required contract minimum (1 paramedic per apparatus.
- May increase response time for administering treatment on critical calls (i.e., cardiac arrest) if more than one paramedic is needed.

Eliminate Fire Engine or Truck

Option A: Eliminate one fire engine or truck.
TARGET = \$2,000,000 Reduction

Option B: Eliminate two fire engines or trucks.
TARGET = \$4,000,000 Reduction

Choose 1 Option

Public Safety

Proposal Considerations

- The elimination of a truck/engine would be based on no- or low-use and would be applied citywide.
- May increase response time to fire and emergency medical service requests

Re-Direct Subsidy for Convention & Visitors Bureau Marketing to the General Fund

TARGET: \$2,000,000 Reduction

CED

Proposal Considerations

Reduce Convention and Visitors Bureau (CVB) marketing budget from \$8 million to \$6 million, and fund Convention and Visitors Bureau exclusively through Transit Occupancy Tax and Hotel Business Improvement District Fee.

Eliminate Arts and Cultural Development Functions

TARGET: \$1,000,000 Reduction

CED

Proposal Considerations

- Significantly reduces arts education, special events and City sponsored involvement with the arts community.
- Public Art Program remains (separate funding source).

Reduce Funding by 50% for Long Range Land Use Planning

TARGET: \$1,000,000 Reduction

CED

Proposal Considerations

- Will reduce the City's ability to proactively pursue long range planning efforts.
- Eliminates City's proactive activities related to historic preservation.
- Would not adversely impact development of General Plan 2040.

Eliminate Street Landscape Maintenance and Replanting. Reduce Level of Trash Removal and Weed Spraying in Median Islands

TARGET: \$950,000 Reduction

Transportation and Aviation

Proposal Considerations

- Increase in dead or dying plant materials on roadways and potential for blight.

Eliminate Residential Traffic Calming Activities, Limiting Services Primarily to Mandated Activities

TARGET: \$480,000 Reduction

Transportation and Aviation

Proposal Considerations

- Limits ability to analyze neighborhood concerns and implement traffic calming solutions.
- Focus only on state-mandated studies, high crash locations and school area/pedestrian concerns.
- Explore possibility of developing a cost-recovery fee for service program for neighborhoods.

Reduce Pavement Maintenance Funding Resulting in Less Street Sealing and Reduced Pavement Condition

TARGET: \$2,000,000 Reduction

Proposal Considerations

- Nearly 500 miles of streets is currently in poor condition, with an existing one-time deferred maintenance backlog of \$283M.
- Proposal would defer maintenance on an additional 20-40 miles each year.
- Deferring maintenance leads to a higher-cost for resurfacing or reconstruction in the future (which is five times higher - \$10-20M)

Eliminate in Non-Park Areas the Anti-Graffiti Program

TARGET: \$2,000,000 Reduction

Neighborhood Services

Proposal Considerations

- Increases blight and graffiti activity in non-park areas.

Reduce Branch Libraries Days of Service

Option A: 5 days of service at branch libraries (all branches but Tully are open 6 days/ wk, Mon-Sat).

TARGET = \$800,000 Reduction

Option B: 4 days of service at branch libraries.

TARGET = \$2,700,000 Reduction

Option C: 3 days of service at branch libraries

TARGET = \$4,400,000 Reduction

Choose 1 Option

Neighborhood Services

Proposal Considerations

- Checkouts will drop as the reduction in days open will restrict access to materials and information.
- Currently 150,000 children attend early literacy and reading enrichment programs annually; this will reduce the number of children and parents who attend the programs.
- After-school homework assistance will be cut.
- Reducing number of days open will affect ability to respond to customer inquiries at branch libraries.

Close Neighborhood Park Restrooms During Week

TARGET: \$500,000 Reduction

Neighborhood Services

Proposal Considerations

Restrooms would be open on weekends only and only at high use Neighborhood Parks

Eliminate Stand And Clean Slate Anti-Gang Programs

TARGET: \$450,000 Reduction

Neighborhood Services

Proposal Considerations

Potential increase in delinquent behavior and of further gang involvement.

Close City Swimming Pools during Summer Months

TARGET: \$500,000 Reduction

Neighborhood Services

Proposal Considerations

Results in no public swimming pool access during the summer months.

Transition to One Community Center per Council District

TARGET: \$1,000,000 Reduction

Neighborhood Services

Proposal Considerations

- Senior Centers and Youth Centers providing age specific programming will be adversely affected.
- Remaining hubs may have longer hours and more services.

Reduce Park Maintenance by 1 Day per Week

TARGET: \$1,200,000 Reduction

Neighborhood Services

Proposal Considerations

Would reduce the upkeep of parks including janitorial services and landscape maintenance.

**Close Community Centers by 1 day
a Week**

TARGET: \$400,000 Reduction

Neighborhood Services

Proposal Considerations

Community will have one day less access to community centers and with less staff to provide supervision and programs.

Eliminate Park Rangers

TARGET: \$1,700,000 Reduction

Neighborhood Services

Proposal Considerations

This would eliminate park ranger responses to guest services, emergency services and traffic control issues at City Regional Parks.

**PRELIMINARY REVENUE
PROPOSALS FOR
FY 2009-2010**

**Increase Existing Fees to Fully
Cover Costs to Deliver Service and
Institute New Fees (where
appropriate)**

TARGET: \$2,000,000 Revenue

Citywide

Proposal Considerations

Develop new fees and bring existing fees to full cost recovery. This proposal would cover a broad range of fees for City services such as youth, senior, recreation, transportation, etc. programs.

Implement a 1/4 Cent Sales Tax

TARGET: \$35,000,000 Revenue

Citywide

Proposal Considerations

- Requires ballot measure and voter approval.
- Depending on date of approved ballot measure, the revenue may be up to \$35M in FY 2009-2010 and 100% in FY 2010-2011.

**Restructure Existing Leases With
Non-Profit Operators of City
Facilities to Achieve Cost Recovery**

TARGET: \$750,000 Revenue

Citywide

Proposal Considerations

- Given the current real estate market downturn, the estimate is lower than it would be during a higher market.
- May require a multi-year phased approach for implementation.

Lease City Assets

TARGET: \$1,500,000 Revenue

Citywide

Proposal Considerations

- Given the current real estate market downturn, the estimate is lower than it would be during a higher market.
- Feasibility of finding business to lease assets is questionable, given the state of the economy.

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| <p style="text-align: center;">Implement a Plastic Bag Fee-- Charge Customers a Fee When Using a Plastic Bag to Carry Purchases From Stores</p> <p>TARGET: \$2,500,000 Revenue</p> <p style="text-align: right;"><i>Citywide</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Encourages citizens to bring their own bags when shopping, thereby reducing the number of plastic bags in the landfill. • Bag fee would considerably reduce public litter. • Revenues would eventually decrease due to greater use of non-plastic bags and inability to charge fee. |
| <p style="text-align: center;">Increase Storm Sewer Service Fee from \$6/month to \$12/month</p> <p>TARGET: \$6,000,000 Revenue</p> <p style="text-align: right;"><i>Citywide</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Provides funding to address major storm sewer system repair and rehabilitation. • Tax increase would require ballot measure and voter approval. • Evaluate funding for additional services up to \$6M. |
| <p style="text-align: center;">Charge Full Cost to Promoters and Event Planners to Coordinate, Plan, and Staff Special Events (on-duty and overtime)</p> <p>TARGET: \$750,000 Revenue</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • City currently absorbs all costs for on-duty costs to coordinate, plan and staff events. • Implementation of full cost recovery may discourage some special event promoters. |
| <p style="text-align: center;">Establish a Security Alarm Fee for Commercial and Residential Alarms</p> <p>TARGET: \$250,000 Revenue</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Currently, over 90% of alarm calls are false. Fee would help recover costs associated with police officers responding to false calls. |
| <p style="text-align: center;">Charge Fee to Auto Insurance Companies for Vehicle Accident Scene Response by Fire Department</p> <p>TARGET: \$360,000 Revenue</p> <p style="text-align: right;"><i>Public Safety</i></p> | <p style="text-align: center;"><u>Proposal Considerations</u></p> <ul style="list-style-type: none"> • Currently, public safety responds to accident calls at no charge. • Proposal results in a fee to recover a portion of the cost for the Fire Department to respond. |

Charge a Fee to Entities That Store Hazardous Materials

TARGET: \$500,000 Revenue

Public Safety

Proposal Considerations

Fire Department would charge a fee that is scaled to the size of operation and quantity of hazardous materials on-site.

Increase Library Materials Fines

Option A: 100% Increase- Fines would increase from \$0.25/ day to a maximum of \$10/item to \$0.50/day and to a maximum of \$20/item. **TARGET = \$800,000 Revenue**

Option B: 50% Increase- Fines would increase from \$0.25/ day and a maximum of \$10/ item to \$0.38/day and a maximum of \$15/item. **TARGET = \$400,000 Revenue**

Neighborhood Services

Proposal Considerations

- Library fines currently produce over \$1M annually for the General Fund.
- Increase in fines may impact library usage.

Expand Parking Compliance and Parking Meter Zones in Arena/Diridon Area

TARGET: \$500,000 Revenue

*Transportation
and Aviation Services*

Proposal Considerations

- Enhanced services for street sweeping zones and special events.
- Adds street parking charges in formerly free areas.

Increase Parking/Traffic Citation Fines

TARGET: \$750,000 Revenue

*Transportation
and Aviation Services*

Proposal Considerations

- Many fines have not been increased since 1995 (or kept current with the cost to deliver services).
- Fees would increase between \$3-\$12 based on the type of citation.

Implement Inspection and Traffic Management Fee

TARGET: \$250,000 Revenue

*Transportation
and Aviation Services*

Proposal Considerations

- Services currently provided at no cost.
- Proposed new fees allow City to recoup costs associated with inspecting sidewalk repairs and for special events traffic management activities.
- Fee may discourage special events.

Assign to the General Fund a % of Additional Future Funds Generated by the Anti Tobacco Settlement Revenues

TARGET: \$700,000 Revenue

Neighborhood Services

Proposal Considerations

- Maintains funding at current levels (approximately \$10M) for programs offered by the City or Community Based Organizations.
- Children’s Health Insurance Initiative and City sponsored programs would not be eliminated.

Reduce Anti-Tobacco Settlement Revenues and Transfer to the General Fund

TARGET: \$5,000,000 Revenue

Neighborhood Services

Proposal Considerations

- Children’s Health Insurance Initiative and City sponsored programs would not be eliminated.
- Eliminates funding for programs offered by Community Based Organizations for youth and senior health and recreation programs and a tobacco free community.

Require Downtown Night Club Venues to Pay 50% of Police Overtime Costs

TARGET: \$600,000 Revenue

CED/Public Safety

Proposal Considerations

- This fee would be based on business allowable occupancy.
- This proposal would require nightclubs and bars within the Downtown Entertainment Zone to pay 50% of staffing costs.

FUTURE IDEAS (Beyond FY 2009-2010)

**Lease Treatment Plant Bufferlands:
City lease or rent approximately 50
acres of the Plant Bufferlands to
commercial or industrial businesses**

TARGET: \$6,000,000 Revenue

Citywide

Proposal Considerations

- Proposal contingent on ability for the City to identify an entity to lease. Would need to ensure leasee businesses are compatible next to an industrial facility
- Plant Master is currently in progress to determine land uses and the Treatment Plant. Leasing the land prior to completion of the Master Plan could reduce future land use options.
- Environmental Clearance for leasing land is needed.

**Implement a Soil Management Program:
This proposal would implement a Soil
Management Program to accept surplus soil
from City projects to offset disposal costs paid
by the City and making soil available for
projects. The program could also charge a fee
to accept soil from private developments.**

TARGET: \$500,000 Revenue

Citywide

Proposal Considerations

- This proposal would likely slightly reduce Disposal Facility Tax revenue.
- Possibility of revenue from BART since there will be significant excess soil from the tunneling
- Environmental clearance issues need to be explored. Revenue projected low for FY 2009-2010.
- Would increase as program, and large projects develop.

**Increase the Disposal Facility Tax:
Raise tax or expand what qualifies
for a taxable material**

TARGET: \$13,000,000 Revenue

Citywide

Proposal Considerations

- The Disposal Facility Tax (DFT) is charged to waste disposal haulers when they bring garbage to the landfill.
- An increase and/or base change to the Disposal Facility Tax may require a ballot measure.
- Could increase biosolids disposal costs for Sewage Treatment Plant
- The price for disposal would increase but most of these costs are borne by businesses and other cities.
- Higher disposal costs increase recycling.
- The DFT has not been increased in approximately 20 years

10% Tax on Parking Facilities

Option A: City-Owned Parking Lots Only

TARGET: \$5,100,000 Revenue

Option B: All Parking Lots

TARGET: \$9,000,000 Revenue

Transportation and Aviation

Proposal Considerations

Ballot measure and voter approval required.

Restructure Business Tax Rate

TARGET: \$4,000,000 Revenue

Public Safety

Proposal Considerations

- This proposal would require significant business outreach.
- Rates have not been adjusted since 1984. Need to modernize rates by indexing to current consumer price index.

Increase Billboard Advertising Space (Add Billboards)

TARGET: \$4,000,000 Revenue

Public Safety

Proposal Considerations

- Sign Ordinance would have to be amended.
- There are City beautification concerns. This proposal would require significant business/community outreach.