BUDGET DOCUMENT # 2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: MAYOR REED

FROM: Councilmember Nora Campos
Councilmember Kansen Chu
Councilmember Rose Herrera

SUBJECT: BUDGET DOCUMENT

DATE: May 14, 2009

Approved Nora Campos Date 5/14/2009
Kansen Chu
Rose Herrera-SM

RECOMMENDATION

That the following recommendation be enacted.

BACKGROUND

Reinstatement

Program/Project Title: Fire Stations 30 Engine Company and Fire Station 33 Temporary Engine Company Deactivation (VII – 241)

Amount of City Funding Required: $ 3,894,805

Fund Type (i.e. General Fund, C&C funds, etc.) General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

Given the extremely difficult choices the City must make in the FY 2009-10, it is imperative that the Council prioritize services to protect the safety of our residents. While it certain that not all proposed service eliminations or reductions can be avoided, at a minimum the Council must do everything within their power to maintain operations at all of the City's fire stations. This action would ensure that current fire protection and emergency response services provided by these two stations are maintained.

Funding Sources

Program/Project Title: Emergency Reserve Fund - Fund 406 (Page XI – 32)

Amount of City Funding Change: $2,381,532 (one time)

Fund Type (i.e. General Fund, C&C funds, etc.) General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

The use of these funds would leave a remaining reserve of $1 million to be used in the event of an emergency, the same amount that had been reserved in this fund between 1999 and 2002.

In the event of a disaster, City departments would utilize their own budgets to support necessary staffing and operations. Following a disaster, the Finance Department routinely submits reimbursement requests to the State or the Federal Emergency Management Agency (FEMA). Fund 406 was established in order to track those reimbursements the City receives. These funds should then have been transferred back to the various department funds that covered the costs of the disaster. The budgeted funds in FY 2009-10 reflect true reserves as all appropriate transfers have been made in FY 2008-09. Given the threat to our emergency response capabilities if two fire stations were to be closed, it is timely and prudent to utilize these reserve funds to maintain our existing emergency response.

Program/Project Title: Economic Uncertainty Reserve

Amount of City Funding Change: $1,013,273 (one time)

Fund Type (i.e. General Fund, C&C funds, etc.) General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

The reduction of this fund will result in less one-time funds to offset the projected deficit in FY 2010-11, however there will be just under $9 million left in the reserve for that purpose. Given the importance of the two fire stations to our fire and emergency response capabilities and to the safety of the City's residents, we feel this reduction is both minimal and appropriate.

Program/Project Title: Earmarked Reserves: Essential Services Preservation Allocation Reserve (VII – 563)

Amount of City Funding Change: $500,000 (one time)

Fund Type (i.e. General Fund, C&C funds, etc.) General Fund

Anticipated Outcomes: Requested funding changes would affect benefits or services for San José residents, businesses, community groups, etc., as described below: (Use as much space as required.)

As this funding is currently held in a reserve, there will be no impact associated with this expenditure.

Department or Organization: City Manager's Budget Office

Department or Organization Contact (Please list contact information for the individual that certified cost estimates contained within your recommendation.)

Name: Jennifer Maguire

Phone number: (408) 535-8144

E-mail address: Jennifer.maguire@sanjoseca.gov

This change is:

__X__ One-time _____ Ongoing

The City Service Area to which the change best relates:

- ❑ Community and Economic Development Services
- ❑ Environmental and Utility Services
- ❑ Neighborhood Services
- X Public Safety
- ❑ Strategic Support
- ❑ Transportation and Aviation Services