CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

2026-2027 PROPOSED OPERATING BUDGET

Prepared by the Office of the City Manager
May 2026

Mayor



Matt Mahan

City Council

District 1



Rosemary Kamei

District 2



Pamela Campos

District 3



Anthony Tordillos

District 4



David Cohen

District 5



Peter Ortiz

District 6



Michael Mulcahy

District 7



Bien Doan

District 8



Domingo Candelas

District 9



Vice Mayor
Pam Foley

District 10



George Casey

Office of the City Manager

City Manager		Jennifer A. Maguire	
Assistant City Manager		Leland Wilcox	
Deputy City Managers	Angel Rios	Jennifer Schembri	Manuel Pineda
		Rosalynn Hughey	
Budget Director		Jim Shannon	
Assistant Budget Director		Bonny Duong	
Deputy Budget Director		Claudia Chang	
Assistant to City Managers	Bryce Ball	Jennifer Tell	Selena Ubando
Senior Budget Analysts	Chris Petak	Curtis Satake	Gabriel Orozco Silva
	Jose Garcia Gomez		Tresha Grant
Budget Analysts	Christian Bernal	Isaac Li	Minha Oh
	Ricardo Cisneros		Shue Vue
Budget Production	Kate Handford		
Special Assistance	Surya Upadhyayula (Information Technology)		

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

City of San José

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 5, 2026



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2025 CSMFO President

James Russell-Field, Chair
Recognition Committee

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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California

For the Fiscal Year Beginning

July 01, 2025



Executive Director

TABLE OF CONTENTS

Page

MAYOR AND CITY COUNCIL 2
CITY MANAGER'S BUDGET OFFICE STAFF 3
CSMFO Operating Budget Excellence Award
Fiscal Year 2025-2026 4
GFOA Distinguished Budget Presentation Award
Fiscal Year 2025-2026 5

CITY MANAGER'S 2026-2027 BUDGET MESSAGE 11
Attachment A – Budget Balancing Strategy Guidelines and Service Delivery Framework 37
Attachment B – General Fund Balancing Strategy Detail 39
Attachment C – Status of Mayor and City Council Referrals 53
Attachment D – Status of City Auditor Recommendations with Funding Impact 63
Attachment E – Contingency Plan 67

COMMUNITY PROFILE
San José at a Glance 71
Roster of Elected Officials 80
State and Local Legislative Highlights 81

BUDGET GUIDE
Annual Budget Process 87
City Organization by City Service Area 88
City Organization by Department/City Service Area/Core Service/Program 89
City Organization by Function 94
Boards, Commissions and Committees 95
Operating Budget Guide 96
Fund Descriptions 99
Glossary of Terms 111
Acronyms Index 116

SUMMARY INFORMATION
Total City Source and Use of Funds (Table) 119
Summary of Transfers, Loans, and Contributions (Table) 127
Summary of General Fund Sources (Graph and Table) 135
Summary of General Fund Uses (Graph and Table) 139
Summary of General Fund Uses by Category (Graph and Table) 143
Summary of Total Staffing by Department (Graph and Table) 145

TABLE OF CONTENTS

Page

HISTORY AND TREND INFORMATION

Five-Year Comparison of Total City Source and Use of Funds (Graph and Table) 147
Five-Year Comparison of General Fund Sources (Table) 149
Five-Year Comparison of General Fund Uses (Graph and Table) 151
Five-Year Comparison of General Fund Uses by Category (Table) 153

BUDGET POLICIES AND PRACTICES

Budget Policies 155
Budget Principles 175
City Service Area Policy Framework 177
Significant Accounting Practices 179
Debt Service Obligations 183

GENERAL FUND REVENUE

General Fund Revenue Overview 191
General Fund Revenue Estimates 199
General Fund Revenue Descriptions 231

CITY SERVICE AREAS (CSA)

Overview 247
Community and Economic Development CSA 255
Environmental and Utility Services CSA 271
Neighborhood Services CSA 283
Public Safety CSA 297
Transportation and Aviation Services CSA 309
Strategic Support CSA 321
Strategic Support CSA Appointees 335

CITY DEPARTMENTS/COUNCIL APPOINTEES

Airport 353
City Attorney 371
City Auditor 383
City Clerk 393
City Manager 405
City Manager - Office of Economic Development and Cultural Affairs 427
Energy Department 447
Environmental Services 463
Finance 495
Fire 515

TABLE OF CONTENTS

Page

CITY DEPARTMENTS/COUNCIL APPOINTEES

Housing 539
Human Resources 563
Independent Police Auditor 579
Information Technology 589
Library 609
Mayor and City Council 625
Parks, Recreation and Neighborhood Services 633
Planning, Building and Code Enforcement 665
Police 691
Public Works 719
Retirement Services 749
Transportation 761

CITY-WIDE

City-Wide Expenses 799
General Fund Capital, Transfers, Reserves 833

SOURCE AND USE OF FUNDS STATEMENTS

Affordable Housing Impact Fee Fund (452) 851
Airport Customer Facility and Transportation Fee Fund (519) 852
Airport Fiscal Agent Fund (525) 853
Airport Maintenance and Operation Fund (523) 854
Airport Revenue Fund (521) 856
Airport Surplus Revenue Fund (524) 857
Alameda Community Benefit Improvement District Fund (342) 858
Benefit Funds – Benefit Fund (160) 859
Benefit Funds – Dental Insurance Fund (155) 861
Benefit Funds – Life Insurance Fund (156) 862
Benefit Funds – Unemployment Insurance Fund (157) 863
Building Development Fee Program Fund (237) 864
Building Homes and Jobs Act Fund (456) 866
Business Improvement District Fund (351) 867
Cash Reserve Fund (002) 869
Citywide Planning Fee Program Fund (239) 870
City Hall Debt Service Fund (210) 872
Community Development Block Grant Fund (441) 873
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371) 875
Community Facilities District No. 2 (Aborn – Murillo) and Community Facilities District No. 3 (Silverland – Capriana) Fund (369) 876

TABLE OF CONTENTS

Page

SOURCE AND USE OF FUNDS STATEMENTS

Community Facilities District No. 8 (Communications Hill) Fund (373) 877
Community Facilities District No. 11 (Adeline – Mary Helen) Fund (374) 878
Community Facilities District No. 12 (Basking Ridge) Fund (376) 879
Community Facilities District No. 13 (Guadalupe Mines) Fund (310) 880
Community Facilities District No. 14 (Raleigh – Charlotte) Fund (379) 881
Community Facilities District No. 15 (Berryessa – Sierra) Fund (370) 882
Community Facilities District No. 16 (Raleigh – Coronado) Fund (344) 883
Community Facilities District No. 17 (Capitol Expy – Evergreen Place (496) 884
Convention and Cultural Affairs Fund (536) 885
Convention Center Facilities District Revenue Fund (791) 887
Downtown Property and Business Improvement District Fund (302) 889
Economic Development Administration Loan Fund (444) 890
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) 891
Emergency Reserve Fund (406) 892
Federal Drug Forfeiture Fund (419) 893
Federated Retiree Health Care Trust Fund (124) 894
Federated Retirement Fund (134) 895
Fire Development Fee Program Fund (240) 896
Fire Retiree Health Care Trust Fund (126) 898
Gas Tax Maintenance and Construction Fund – 1943 (409) 899
Gas Tax Maintenance and Construction Fund – 1964 (410) 900
Gas Tax Maintenance and Construction Fund – 1990 (411) 901
General Purpose Parking Fund (533) 902
Gift Trust Fund (139) 904
Home Investment Partnership Program Trust Fund (445) 908
Homeless Housing, Assistance, and Prevention Fund (454) 909
Housing Trust Fund (440) 910
Ice Centre Revenue Fund (432) 911
Inclusionary Fee Fund (451) 912
Integrated Waste Management Fund (423) 913
Library Parcel Tax Fund (418) 915
Low and Moderate Income Housing Asset Fund (346) 916
Maintenance District No. 1 (Los Paseos) Fund (352) 918
Maintenance District No. 2 (Trade Zone Blvd. – Lundy Ave.) Fund (354) 919
Maintenance District No. 5 (Orchard Parkway – Plumeria Drive) Fund (357) 920
Maintenance District No. 8 (Zanker – Montague) Fund (361) 921
Maintenance District No. 9 (Santa Teresa – Great Oaks) Fund (362) 922
Maintenance District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund (364) 923

TABLE OF CONTENTS

Page

SOURCE AND USE OF FUNDS STATEMENTS

Maintenance District No. 13 (Karina – O'Nel) Fund (366) 924
Maintenance District No. 15 (Silver Creek Valley) Fund (368) 925
Maintenance District No. 18 (The Meadowlands) Fund (372) 926
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359) 927
Maintenance District No. 20 (Renaissance – N. First Landscaping) Fund (365) 928
Maintenance District No. 21 (Gateway Place – Airport Parkway) Fund (356) 929
Maintenance District No. 22 (Hellyer Ave. – Silver Creek Valley Rd.) Fund (367) 930
Multi-Source Housing Fund (448) 931
Municipal Golf Course Fund (518) 934
Planning Development Fee Program Fund (238) 935
Police Retiree Health Care Trust Fund (125) 937
Police and Fire Retirement Fund (135) 938
Public Works Development Fee Program Fund (241) 939
Public Works Program Support Fund (150) 941
Public Works Small Cell Permitting Fee Program Fund (242) 942
Real Property Transfer Tax Fund (404) 943
Rent Stabilization Program Fee Fund (450) 946
San José Arena Capital Reserve Fund (459) 947
San José Clean Energy Operating Fund (501) 949
San José Opioid Response Fund (130) 950
San José-Santa Clara Treatment Plant Income Fund (514) 952
San José-Santa Clara Treatment Plant Operating Fund (513) 953
Sewage Treatment Plant Connection Fee Fund (539) 955
Sewer Service and Use Charge Fund (541) 956
South Bay Water Recycling Operating Fund (570) 958
St. James Park Management District Fund (345) 959
State Drug Forfeiture Fund (417) 960
Storm Sewer Operating Fund (446) 961
Supplemental Law Enforcement Services Fund (414) 963
Transient Occupancy Tax Fund (461) 964
Vehicle Maintenance and Operations Fund (552) 965
Water Utility Fund (515) 967
Willow Glen Community Benefit Improvement District Fund (343) 969
Workforce Development Fund (290) 970

APPENDICES

Mayor's March Budget Message for Fiscal Year 2026-2027 973
Homelessness Budget – 2026-2027 Funding Allocation 1015

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

May 1, 2026

Honorable Mayor and City Council:

I am proud to deliver the 2026-2027 Proposed Operating Budget that meets the important objectives and directives of the City Council while also fully resolving the ongoing General Fund shortfall in a fiscally responsible manner with minimal community or employee impacts. This budget follows the direction provided by the Mayor and City Council with their approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, and considers other City Council and Administration priorities, recent community outreach and surveys, and the impacts of service reductions to the community.

The 2027-2031 General Fund Five-Year Forecast was used as the starting point in the development of the budget. For the General Fund, a revised Base Budget shortfall of $50.3 million is projected for 2026-2027, followed by an additional incremental shortfall of $26.8 million in 2027-2028, with a small shortfall or surpluses over the remaining three years of the Forecast. While the 2026-2027 shortfall represents a relatively modest portion of the General Fund Base Budget at 3%, this shortfall comes on top of the funding realignment and reduction actions to balance the 2025-2026 Adopted Operating Budget and make progress on closing an early forecasted shortfall for 2026-2027, making further cost-cutting actions all the more impactful. Nevertheless, with continued economic uncertainty and the potential for conditions to worsen, thoughtful decision-making is essential to address the structural shortfall in 2026-2027 and position the City to meet the challenges expected for 2027-2028.

Keeping these considerations in mind, the Proposed Budget follows City Council direction to focus on targeted, strategic spending, while fully resolving the ongoing shortfall in 2026-2027 and preserving critical core community services to the maximum extent feasible. It is important to note that, even with a number of cost reductions, service delivery efficiencies, and position eliminations necessary to address the shortfall, only a handful of employees will be impacted from actions in this Proposed Budget. However, should Measure A's Transient Occupancy Tax increase not pass on June 2nd, the Contingency Plan included in this transmittal memorandum would necessarily result in a more significant reduction of City services and impacts to our community and employees.

For the City's many other dedicated funds (e.g., Airport Funds, Integrated Waste Management Fund, Sanitary Sewer Funds), the Proposed Operating Budget includes various service delivery and infrastructure needs balanced within the available resources of each fund and in consideration of associated impacts to rate payers.

Budget Town Halls



May 4
Santa Teresa Church, 794 Calero Ave, San José

May 18
Virtual Town Hall - Register at:
Webinar Registration - Zoom

Budget Decision Milestones

May 6 – 14
City Council Budget Study Sessions

May 12/June 8
Public Hearings on 2026-2027 Proposed Budgets, and Fees and Charges Report

June 1
2026-2027 Mayor's June Budget Message Released

June 9
Council Review/Approval of the 2026-2027 Mayor's June Budget Message

June 16
Adoption of the 2026-2027 Capital and Operating Budgets, 2027-2031 CIP, and the 2026-2027 Fees and Charges Report

As guided by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, this Proposed Budget prioritizes and reallocates the City's limited General Fund and Special Funds to continue work on some of our most challenging issues, including reducing unsheltered homelessness, increasing community safety, cleaning up our neighborhoods, growing our economy, and building more housing. Allocations also address select areas of urgent, important, and continuing core service work within other community services, strategic support services, and deferred infrastructure areas. A summary of the key actions for these investment priorities is provided later in this transmittal memorandum.



Other summary information items that can easily be found in this transmittal memorandum include: Total Proposed Budget; Position Impacts; General Fund Forecast; Proposed Budget Development Considerations; General Fund Budget Balancing Plan; Budget Stabilization Reserve Uses; Contingency Plan; City Service Area Highlights and Key Budget Actions with key budget actions outlined by title and the section where they can be found throughout the Proposed Operating Budget document; and Fees and Charges Adjustments.

It is important to note that though this transmittal memorandum primarily discusses the incremental changes to the budget and new or reallocated funding to implement new, enhance, or reduce existing services levels, the 2026-2027 Proposed Operating Budget is a comprehensive document that contains budgetary and performance data for each City Service Area (CSA) and department, linking the expected service delivery environment to expected actions and outcomes, facilitated through the spending in 74 Core Services that are delivered through 259 Budget Programs.

While the Proposed Operating Budget fully addresses the ongoing General Fund shortfall, other risks that will likely have future budgetary impacts include unfunded capital maintenance needs, potential revenue loss due to regulatory changes and economic uncertainty, increased retirement contributions due to market volatility, and the extremely limited levels of reserve funding to provide a backstop against these uncertainties. The Administration will continue to work across departments to identify key risk areas and keep the City Council apprised of any necessary changes to the Proposed Operating Budget.

Based on the hard work of City staff, this Proposed Operating Budget thoughtfully and successfully allocates ongoing funding to the priorities identified in the March Budget Message, brings the General Fund into structural alignment with service level demands over a two-year period, and considers existing funding sources across 152 City funds. Each funding source was brought into balance to sustainably continue City programming and services in accordance with City Council direction, priorities, and policies.

Total Proposed Budget

The 2026-2027 Proposed Budget totals $5.5 billion for all City funds (General, Special, and Capital). This amount is $792.5 million (12.7%) less than the 2025-2026 Adopted Budget (Table 1 below). The Proposed Budget, however, does not yet include funds that will be rebudgeted and added to the final 2026-2027 Adopted Budget to complete multi-year projects and programs. Once these rebudgets are included, the total amount of the budget will increase.

2026-2027 Proposed Budget — All Funds (Table 1)

	2025-2026 Adopted	2026-2027 Proposed	% Change
General Fund	$ 1,969,858,062	$ 1,715,206,318	(12.9%)
Special Funds	3,775,255,293	3,492,765,808	(7.5%)
<Less: Operating Transfers>	(925,841,053)	(917,286,441)	(0.9%)
Net Operating Funds	**4,819,272,302**	**4,290,685,685**	**(11.0%)**
Capital Funds	1,444,522,665	1,177,690,286	(18.5%)
<Less: Capital Transfers>	(7,377,000)	(4,442,000)	(39.8%)
Net Capital Funds	**1,437,145,665**	**1,173,248,286**	**(18.4%)**
Total	**$ 6,256,417,967**	**$ 5,463,933,971**	**(12.7%)**

Position Impacts

The Proposed Budget includes a net decrease to the overall position count throughout the organization. The Base Budget included the elimination of 66 positions, as these positions were funded on a one-time basis only or scheduled to expire at the end of 2025-2026. Actions in the Proposed Budget reduce a net 19 positions across departments. Overall, the net level of staffing decreases from 7,009 full-time equivalent positions in the 2025-2026 Adopted Budget to 6,924 positions in the 2026-2027 Proposed Budget as shown in Table 2 below.

Changes in Position Count (All Funds) from 2025-2026 Adopted to 2026-2027 Proposed Budget (Table 2)

2025-2026 Adopted Budget	**7,009 positions**
2026-2027 Base Budget Changes	*(66) positions*
2026-2027 Proposed Budget Changes	*(19) positions*
Total Net 2026-2027 Position Changes	(85) positions
2026-2027 Proposed Budget	**6,924 positions**

General Fund Forecast

At the beginning of March 2026, the Administration released the 2026-2027 City Manager's Budget Request and 2027-2031 Five-Year Forecast and Revenue Projections document to estimate the budget condition of the General Fund and selected Capital Funds over the next five years. The Forecast initially anticipated an ongoing shortfall of $56.0 million in 2026-2027. That shortfall was revised downward to $50.3 million due to a number of combining factors, including updated overhead and reimbursement revenue, and revised Base Budget costs that include the reduction in Police Department costs from the expiration of the BART Policing Services agreement with the Valley Transportation Authority and refinement of janitorial and other contractual services costs.

Table 3 below displays the incremental General Fund shortfalls estimated over the next five years. It is important to note that the shortfall anticipated in 2027-2028 assumes that the $50.3 million shortfall for 2026-2027 is fully resolved with ongoing solutions. Any portion of a shortfall not fully resolved would be carried over to the following year.

2027-2031 Revised General Fund Five-Year Forecast
($ in millions)[1]
(Table 3)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Five-Year Surplus/ (Shortfall)
Incremental Surplus/ (Shortfall)	($50.3)[2]	($26.8)	($11.8)	$13.8	$11.6	($63.5)
Total Cumulative Shortfall	($50.3)	($77.1)	($88.9)	($75.1)	($63.5)	($63.5)

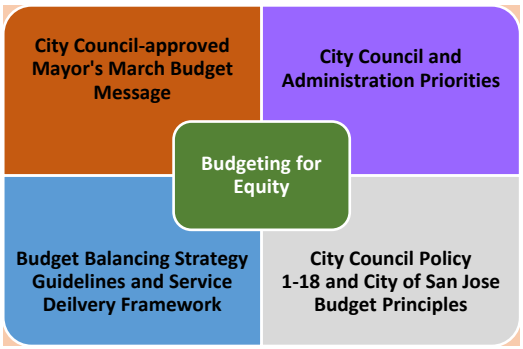
[1] Does not include 1) costs associated with services funded on a one-time basis in 2025-2026; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

[2] This figure was revised from the $56.0 million shortfall as presented in the Forecast released in March 2026 as a result of continued analysis of projected revenues and expenditures.

As with any forecast, these projections will vary in response to changing economic conditions, which primarily affect City revenues, changes in projected expenditures, particularly in salary levels and retirement costs, or other factors beyond the City's control. The Administration will continue to evaluate financial trends and other changes that could affect the City's budget situation and report to the City Council regularly with updated information. It is important to highlight that the projected shortfalls omit the cost of programs previously funded on a one-time basis in the General Fund, estimated at approximately $8 million, any one-time expenditures – including the significant backlog of deferred capital maintenance needs – and any service level enhancements desired by the City Council and community. When considering these other factors, the City faces an even larger service level/structural shortfall.

Further, even after resolving the 2026-2027 shortfall on an ongoing basis, additional ongoing solutions of $27 million would still be required to resolve the shortfall projected for 2027-2028. This additional shortfall in the second year of the Forecast and the continued weakness and uncertainty of the local economy emphasizes the need to ensure that the 2026-2027 Proposed Operating Budget fully resolves the ongoing shortfall with ongoing solutions. While the limited use of reserves to pay for one-time uses and to provide bridge funding for reductions that occur over a two-year period is a component of the Administration's strategic budget balancing strategy (see the discussion below), new ongoing revenue sources and ongoing expenditure and service reductions are also necessary to ensure that the City Council approves a balanced budget.

Proposed Budget Development Considerations



The Proposed Budget must balance a variety of competing community and organizational needs while ensuring that the resources contained within all City funds remain in balance and thoughtfully deployed. While the budget development process was informed by a variety of factors, the inputs shown on the right are the key drivers that provided the strategic approach to address these needs.

The Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, identified the main investment priorities for the budget process, and directed the Administration to employ the City Manager's recommended Budget Balancing Strategy Guidelines and Service Delivery Framework (see *Attachment A*) that outlined a number of general approaches to use in the development of the budget, including a framework for the limited use of the Budget Stabilization Reserve (as discussed below). City Council Policy 1-18 and the newly revised City of San José Budget Principles[1] further ensured that the Administration applied best budgetary practices and worked to align ongoing revenues with ongoing expenditures. Throughout the year, the City Council also identified new or revised desired service levels to benefit the community, and the Administration identified areas for additional investment or reallocation to address organizational risks and service delivery gaps.

Unfortunately, budgetary constraints significantly limit the City's ability to meet desired service levels and, in fact, require ongoing cost and service reductions to bring the General Fund into structural alignment while also continuing or enhancing select services consistent with City Council direction as included in the March Budget Message. Due to the nature of the City's work, service reductions have the potential to disproportionately impact already disadvantaged communities. As a result, the Administration's obligation during the budget process is to intentionally consider equity regarding budget actions, asking questions such as: who is burdened by the action, what steps could be taken to mitigate the impact, and are there other feasible cost reduction strategies that would have less of an impact?

These equity considerations were central to the development of the General Fund budget balancing strategy discussed below. To mitigate service impacts, the Administration focused on solutions that optimized and realigned service delivery to achieve ongoing costs savings without significant impacts and maximized strategies to increase revenues. This approach yielded ongoing solutions that resolved over 75% of the shortfall without meaningfully impacting service outcomes, and thereby required fewer budget reductions with significant impacts. Additional discussion on the Administration's budget-balancing approach follows.

[1] Included in the *Budget Policies and Practices* section of this budget document.

General Fund Budget Balancing Plan

As previously mentioned, the City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027 directed the City Manager to bring forward recommendations that fully resolve the $50.3 million shortfall on an ongoing basis while also minimizing impacts to existing services and allowing for targeted new funding for the City Council's most urgent priorities. The Proposed Budget's implementation of this direction is summarized below.

- **Homelessness services savings without compromising outcomes within the Reducing Unsheltered Homelessness Focus Area.** As the City transitions from large-scale encampment abatements toward maintenance of no encampment zones and management and abatement of smaller encampments, the Beautify San José budget is reduced by $4.2 million in 2026-2027 and $6.4 million ongoing to reflect lower costs needed for contractual services and security costs. Within the Interim Housing Portfolio, the Taylor HUB site can be closed by January 2027 for savings of $1.2 million in 2026-2027 and $2.6 million ongoing, the planned purchase of two of the five motels with Housing Funds that are currently leased as temporary shelters will reduce future lease costs beginning in 2027-2028 by $2.6 million ongoing, and the City is in active negotiations to enable the County of Santa Clara to assume operating costs and responsibility for two of the City's interim housing sites beginning in 2027-2028 for $9.0 million of ongoing savings. Taken together, these actions reduce General Fund expenditures by $5.4 million in 2026-2027 and $20.6 million ongoing, reducing the ongoing shortfall by 40%.

- **New or increased revenues**. The Proposed Budget recognizes new revenues of $19.1 million in 2026-2027, of which $18.4 million is ongoing. These actions include additional Transient Occupancy Tax (TOT) revenues of $6.8 million in 2026-2027 and $9.5 million ongoing by assuming the passage of Measure A that increases the TOT from 10% to 12%[2]; adjustments to various fees to improve or maintain cost recovery levels of $3.8 million in 2026-2027 and ongoing; adjustments to increase transfers from the Construction Excise Tax Fund, the General Purpose Parking Fund, the Integrated Waste Management Fund, and the San José Municipal Golf Course Fund totaling $4.9 million in 2026-2027 and $3.2 million ongoing, due to greater additional revenues available in those funds; and other actions to improve revenue collections and recognize new grant revenues. This additional new revenue reduces the ongoing shortfall by 36%.

- **Cost and service reductions**. A variety of cost and service level reductions totaling $18.9 million in 2026-2027 and $19.4 million ongoing address the remaining shortfall and ensure capacity for targeted investments. These actions consist of reductions to personal services costs, including vacant and filled positions; and reductions to contractual services, supplies and materials and other non-personal/equipment allocations, of which approximately $2 million in annual savings results from organizational realignments and optimizations with minimal negative effects. Though the Administration's approach limits negative outcomes, impacts will be felt across the organization. The most significant change to anticipated service delivery are actions that defer previously planned service enhancements by enacting a two-year deferral for the opening of Fire Station 32 and the Police Training Center, previously anticipated to begin operations in spring 2026. However, given their importance, the Administration also recommends that these public safety facilities be prioritized for activation sooner if budgetary conditions improve.

[2] As directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, the Proposed Operating Budget also includes a Contingency Plan that would be brought forward later in the budget process if Measure A fails, or to address a significant unexpected revenue shortfall or an increase in expenditure obligations in the future.

General Fund Budget Balancing Plan (Cont'd)

- **Strategic use of limited reserve funding**. The Proposed Budget allocates $35.0 million from the Budget Stabilization Reserve, responsibly leveraging one-time funding resources to enable deferred infrastructure maintenance and key technology investments, allocate one-time funding to address key City Council priorities, and provide bridge funding in 2026-2027 to allow for the full phase-in of budget reductions related to Beautify San Jose and within the Interim Housing Portfolio.

The 2026-2027 Proposed General Fund Budget Balancing Plan that resolves the $50.3 million shortfall forecasted for 2026-2027 is displayed in Table 4 below, which shows the matrix of balancing strategies and the dollars associated with each action. A technical discussion of the balancing strategies can be found in *Attachment B* to this message and is described in detail throughout the Proposed Budget. *Attachment C* provides the status of Mayor and City Council referrals approved as part of the Mayor's March Budget Message for Fiscal Year 2026-2027. *Attachment D* provides information regarding any actions included in the budget that specifically addressed a recommendation issued by the City Auditor. *Attachment E* describes the actions included in the Contingency Plan that would be brought forward later in the budget process should Measure A not pass on June 2, 2026, or to address a significant unexpected revenue shortfall or an increase in expenditure obligations in the future.

General Fund Budget Balancing Plan (Cont'd)

2026-2027 Proposed Operating Budget General Fund Budget Balancing Plan (in 000's) (Table 4)	2026-2027	Ongoing
2026-2027 General Fund Shortfall	**($ 50,303)**	**($ 50,303)**
Source of Funds		
Beginning Fund Balance:		
Budget Stabilization Reserve	$ 35,000	$ 0
Information Technology Sinking Fund Reserve	6,561	0
Business Tax System Replacement (Encumbrance Liquidation)	2,479	0
Other Beginning Fund Balance Adjustments	3,234	0
Transient Occupancy Tax	6,750	9,500
Grants/Reimbursements/Fees, Rates and Charges:		
Parks, Recreation and Neighborhood Services Fee and Charges	1,845	1,795
Urban Forestry Grant	1,763	354
Other Fees, Rates and Charges Adjustments	1,402	1,402
Commercial Solid Waste CPI Adjustment	406	406
Coyote and Guadalupe River Trail Patrol Reimbursement	325	0
Valley Transit Authority Board Coordination Reimbursement	149	0
Other Miscellaneous Grants/Reimbursements/Fees, Rates and Changes	68	0
Other Revenue Changes		
Transfers to the General Fund	4,900	3,200
Business Tax Collections	551	662
Subrogation Recovery	500	500
Other Revenue Changes	182	182
Overhead Reimbursements	128	158
Subtotal Source of Funds	**$ 66,342**	**$ 18,359**
Use of Funds		
Unmet/Deferred Technology, Infrastructure, and Maintenance	21,930	743
Service Level Enhancements	7,265	4,202
Earmarked Reserves (Police Sworn Backfill, Essential Services, Children and Youth Services Master Plan)	7,500	0
Previously One-Time Funded Services (from 2025-2026)	3,705	1,287
Fee Programs/Grants/Reimbursements	3,376	1,825
New Infrastructure/Equipment Operations and Maintenance	231	341
Service Reductions/Service Delivery Efficiencies/Fund Shifts	(18,921)	(19,371)
Beautify San José	(4,177)	(6,430)
Use of Reserves	(3,621)	(341)
Interim Housing	(1,250)	(14,200)
Subtotal Use of Funds	**$ 16,039**	**$ (31,944)**
Total Balancing Strategy	**$ 50,303**	**$ 50,303**
Remaining Balance	**$ 0**	**$ 0**

Budget Stabilization Reserve Uses

The City's Budget Stabilization Reserve in the General Fund, intended to provide budget stability when revenues or expenditures undergo significant unexpected fluctuations, currently stands at $12.5 million, down from $61 million at the beginning of 2024-2025 as accessing this reserve was essential to address unexpected revenue shortfalls and expenditure increases outside of the Proposed Budget development process, and to address critical one-time needs. Subsequent to the resolution of a dispute with the State of California regarding a portion of the City's Sales Tax proceeds, $75 million[3] can be reallocated from the Revenue Loss Reserve to the Budget Stabilization Reserve.

While a combined total Budget Stabilization Reserve of $87.5 million is significant, so are the current and potential future needs for this funding. In recognition of this need, the City Council directed the Administration to apply the following framework for the allocation of the Budget Stabilization Reserve as part of their approval of the Mayor's March Budget Message for Fiscal Year 2026-2027. The Administration's application of the framework in the Proposed Budget is included in the table below.

Application of the Budget Stabilization Reserve Framework (Table 5)

Framework Direction and Implementation	Amount ($ million)
Do not rely on the Budget Stabilization Reserve to address ongoing General Fund shortfalls given that the Reserve is a one-time source of funding. The 2026-2027 Proposed Operating Budget does not recommend the use of the Budget Stabilization Reserve to address the ongoing General Fund shortfall.	**0.00**
Address one-time urgent, unfunded capital rehabilitation and technology projects at critical City facilities. The 2026-2027 Proposed Operating Budget allocates $8.4 million for this category, including the Customer Experience Transformation ($3.9 million), 9-1-1 Dispatch Back-up Generator Replacement ($3.5 million), City Hall Water Intrusion Remediation ($2.0 million), Fire Station Privacy Enhancement ($570,000), and 9-1-1- Call Center Upgrades Fixtures, Furniture, and Equipment ($350,000), offset by the liquidation of the Deferred Infrastructure and Maintenance Reserve established on a one-time basis in the 2026-2027 Base Budget (-$2.0 million).	**8.32**
Consider limited, targeted investments for critical one-time services/projects or to yield long-term savings or efficiencies. The 2026-2027 Proposed Operating Budget allocates $11.4 million for this category, including the Police Department Sworn Backfill Reserve ($5.0 million), Essential Services Reserve ($2.0 million), Police Sworn Compensatory Time Buy-Down ($1.9 million), Privacy and AI Automation Staffing ($825,000), Business Outreach and Development Staffing ($536,000), the City Manager's Office of Racial and Social Equity – Immigrant Community Support Services ($500,000), Children and Youth Services Master Plan Implementation Reserve ($500,000), and other one-time uses ($219,000).	**11.48**
Phase-in ongoing reductions over a two-year period, as necessary and on a limited basis, to allow the transition or wind down of the impacted services. The 2026-2027 Proposed Operating Budget allocates $15.2 million for this category to accommodate the phase-in cost reduction associated with the Beautify San Jose optimization and the reduced General Fund contribution to the Interim Housing Portfolio. The cost reduction for these services in 2026-2027 is $5.4 million and increases to an ongoing reduction of $20.6 million by 2027-2028. Allowing this phase-in preserves other City services that would otherwise be reduced to ensure a balanced budget.	**15.20**
2026-2027 Proposed Operating Budget Total Budget Stabilization Reserve Use	**$35.00**

Budget Stabilization Reserve Uses (Cont'd)

[3] This amount is revised downward from the $85 million preliminarily estimated in the 2026-2027 City Manager's Budget Request and 2027-2031 Five-Year Forecast and Revenue Projections document, as additional analysis indicates an annual impact to County Pool receipts of approximately $2.5 million annually during the 16-quarter payback period to the State.

The City Council-approved Budget Stabilization Reserve Framework also directed the Administration to "*ensure sufficient funding remains to address potential shortfalls should the General Fund's budgetary position worsen further in 2025-2026 or 2026-2027, either due to unexpected revenue loss or unforeseen expenditures*". Approving the actions included in the 2026-2027 Proposed Operating Budget would leave a remaining balance of $52.5 million. However, approximately $20 million may need to used to meet the 2025-2026 ending fund balance target. As part of the Forecast development, the City regularly assumes an ongoing ending fund balance of $30 million, comprised of a combination of excess revenue and expenditure savings, which then becomes a funding source for spending the following fiscal year. Due to the lower than anticipated revenues in 2025-2026, the City is likely to fall short of its fund balance target on a one-time basis in 2025-2026, which would require an offset from the Budget Stabilization Reserve of approximately $20 million. ***As a result, the Budget Stabilization Reserve is likely to have a balance of approximately $32.5 million for the start of 2026-2027***.

Further, in addition to other unforeseen future revenue impacts or expenditure requirements, two other potential future impacts are highlighted below:

- **At Risk ERAF Funding**. 20% of the City's Education Revenue Augmentation Funding (ERAF) revenue is at risk on both an ongoing basis beginning in 2025-2026 ($9 - $10 million annually) and a claw back to 2020-2021 ($35 - $39 million) due to an anticipated audit from the State Controller's Office that would challenge the ERAF calculation used by the County of Santa Clara. The County has preemptively filed litigation to dispute the actions taken by the State Controller. There is no timeline for a resolution.

- **Cardroom Business Tax Potential Loss**. The California Bureau of Gambling Control recently approved regulations that limit cardroom operations. Industry representatives have warned that these regulations could reduce operating revenues by 85%, which would result in an approximately $25 million loss to the City's General Fund. Due to the uncertainty of timing and precise impact, the Forecast does not yet incorporate Cardroom Business Tax losses; any substantial loss would likely need to be absorbed by the Budget Stabilization Reserve in 2026-2027 and incorporated into future forecasts.

It is important to note that the City Council has set a goal for its General Purpose Reserves – consisting of the Contingency Reserve, Budget Stabilization Reserve, and Workers' Compensation/General Liability Catastrophic Reserve – to total 10% of General Fund expenditures[4]. However, the current level of 4.9% falls well short of the target. Given the above potential future impacts and continued economic uncertainty that could significantly impact community services, the City must preserve and increase the Budget Stabilization Reserve to the extent possible in the future.

Contingency Plan

On June 2, 2026, San José voters will consider Measure A, which would increase the Transient Occupancy Tax from 10% to 12%. If approved by a majority of voters, and implemented by October 1, 2026, Measure A is forecasted to increase General Fund revenues by $6.75 million in 2026-2027 and $9.50 million in 2027-2028. As directed by City Council-approved Mayor's March Budget Message for Fiscal Year 2026-2027, the Proposed Budget assumes passage of Measure A as a strategy to help resolve the forecasted ongoing General Fund shortfall, and, also as directed, the Administration has developed a Contingency Plan if the measure is not passed by the voters. The spending reductions included in the Contingency Plan would be brought forward later in June should Measure A fail, if revenues projections are projected to be significantly lower than previously anticipated, or if the City has to make significant unplanned expenditures.

[4] City Council Policy 1-18, Section 3, Contingency Funds or Accounts.

Contingency Plan (Cont'd)

As the City Council directed the preservation of funding for City Council Focus Areas and the day-to-day core services of the City to the extent feasible, especially those that support marginalized communities, the Administration worked hard to keep significant reductions to such community-facing services out of the General Fund Balancing Strategy. However, if Measure A does not pass, or if other unexpected revenue losses or expenditure needs occur later in the budget process, the City will not be able to achieve an ongoing balanced budget without the reductions identified below, which consist of core community and public safety services, as well as important internal support and leadership capacity that facilitates City service delivery.

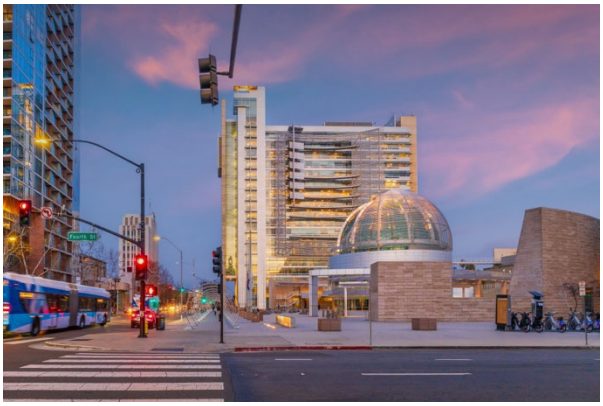
Contingency Plan (Table 6)

Reduction Proposal Title	Department	2026-2027 FTE	2026-2027 Amount ($)	Ongoing FTE	Ongoing Amount ($)
Community Services					
Sunday Library Branch Hours Elimination	Library	(25.70)	(2,315,018)	(25.70)	(2,441,173)
San José Learns Reduction	Library	-	(500,000)	-	(500,000)
Safe Summer Initiative Grant Program Elimination	PRNS	-	-	-	(599,588)
Aquatics and Swimming Program Reduction	PRNS	-	-	(8.11)	(474,155)
Regional Parks Monday Closure and Maintenance Staffing	PRNS	(5.28)	(333,978)	(5.28)	(384,762)
BEST Grant Program Reduction	PRNS	-	(200,000)	-	(200,000)
Tree & Sidewalk Hardship Grants Elimination	Transportation	-	-	-	(513,000)
Neighborhood Services Sub-Total		**(30.98)**	**(3,348,996)**	**(39.09)**	**(5,112,678)**
Public Safety					
Downtown Foot Patrol Elimination	Police	(4.00)	(1,090,320)	(4.00)	(1,172,228)
Bureau of Field Operations Sworn Overtime Reduction	Police	-	(750,000)	-	(1,000,000)
Automated License Plate Reader Cameras Reduction	Police	-	(420,000)	-	(840,000)
Public Safety Sub-Total		**(4.00)**	**(2,260,320)**	**(4.00)**	**(3,012,228)**
Strategic Support, Appointees, and Mayor/Council					
Information Technology Project Management Staffing	IT	(2.00)	(486,098)	(2.00)	(530,289)
Employment and Hiring Staffing	HR	(1.00)	(157,254)	(1.00)	(171,550)
City Attorney Staffing	Attorney	(1.00)	(236,727)	(1.00)	(258,248)
City Auditor Staffing	Auditor	-	-	(1.00)	(142,324)
City Clerk Staffing	Clerk	(1.00)	(132,855)	(1.00)	(144,933)
Mayor/Council	Mayor/Council	-	(127,750)	-	(127,750)
Strategic Support, Appointees, and Mayor/Council Sub-Total		**(5.00)**	**(1,140,684)**	**(6.00)**	**(1,375,094)**
Total Reduction		**(39.98)**	**(6,750,000)**	**(49.09)**	**(9,500,000)**

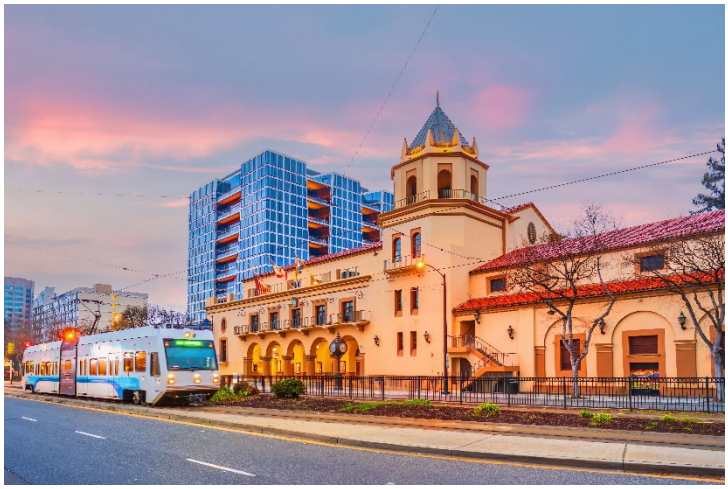
City Service Area Highlights and Key Budget Actions

While much of this message and conversations surrounding the budget involve incremental changes to existing service levels, it is important to keep in mind that most of the City's budget is allocated to delivering basic services, year after year. In the context of a $1.7 billion General Fund budget and $5.5 billion total operating and capital budget, only a small percentage is allocated to new actions. The overwhelming majority of the City's limited resources are dedicated to the daily – and critical – effort to serve the San José community.

The 2026-2027 Proposed Operating Budget document provides a comprehensive review of the resources, both funding and positions, allocated to provide services by CSA, Department, Core Service, and Budget Program. Each CSA section and Department section contains a wide range of outcomes, performance measures, and activity and workload highlights by which City services can be measured. The discussion below covers each CSA, giving an overview of the key service delivery expectations for 2026-2027 and highlighting key budget actions related to the direction from the City Council-approved Mayor's March Budget Message for Fiscal Year 2026-2027, investments to support other services, and actions that reduce costs in the General Fund and in other funds to ensure a structural alignment between ongoing revenues and expenditures. For more in-depth information, please review the CSA and Department sections in the Proposed Operating Budget.







City Service Area Highlights and Key Budget Actions (Cont'd)

Community and Economic Development CSA
Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $215.6 million and 484.90 authorized positions to the Community and Economic Development CSA, consisting of Core Services from the City Manager's Office of Economic Development and Cultural Affairs (OEDCA), Fire Department, Housing Department, Planning, Building and Code Enforcement (PBCE) Department, and Public Works Department. The CSA-supported outcomes include: *a Thriving, Inclusive, and Attractive Communities and Vibrant Public Spaces; Strong, Responsive and Equitable Economy;* and an *Accessible and Diverse Range of Housing and Business Opportunities*.

The Proposed Budget includes a variety of actions that align with the March Budget Message priority investment area of *Growing our Economy and Building More Housing,* primarily leveraging a mix of one-time funding allocations from the General Fund, as well as actions within Development Fee Program Funds. Actions are also included to appropriately align costs with expected activity levels and to help bring the General Fund into structural alignment.

CSA priorities and expected service delivery highlights in 2026-2027 include the following:

- Implement the second year of the 2025-2027 OEDCA Economic Strategy Workplan approved by the City Council to retain/grow jobs and revenue; support small businesses and create thriving business districts; accelerate a thriving downtown; activate San José as the South Bay's hub for sports, arts, and entertainment; and prepare residents to successfully participate in the local economy.
- Identify experience economy financing tools to expand the City's capacity to attract visitors, talent, and investment.
- Develop and implement a 2027 Celebrations Strategy to prepare San José for upcoming major milestones and events.
- Explore and implement alternative financing strategies for the development of affordable housing.
- Evaluate opportunities for reducing local building codes and administrative policies related to residential construction to make the permitting process more predictable and aligned with state standards.
- Develop a development fee framework to support increase housing production at all income levels.
- Advance electric grid updates and capacity enhancements.



City Service Area Highlights and Key Budget Actions (Cont'd)

Growing Our Economy

- Business Outreach and Development Staffing ($536,000)/City Manager's Office of Economic Development and Cultural Affairs
- Major Events Staffing and Programming ($350,000)/City Manager's Office of Economic Development and Cultural Affairs
- Sports Authority ($250,000)/City-Wide Expenses
- Downtown Stitching Districts ($250,000)/City-Wide Expenses
- Enhanced Infrastructure Financing District Assessment ($100,000)/City-Wide Expenses
- East Side Revitalization Plan ($50,000)/City Manager's Office of Economic Development and Cultural Affairs
- Storefront Activation Grant Program ($50,000)/City-Wide Expenses

Building More Housing

- Tri-Element General Plan Update Consultant Services ($500,000)/Planning, Building and Code Enforcement
- Historic Buildings Inventory ($250,000)/Planning, Building and Code Enforcement
- Building Development Fee Program Staffing ($143,000)/Planning, Building and Code Enforcement
- Planning Development Fee Program Staffing ($73,000)/Planning, Building and Code Enforcement

Cost Reductions/Service Delivery Efficiencies/Funding Shifts/Revenues

- Recruitment Staffing (-$308,000)/Planning, Building and Code Enforcement and Housing
- Communications Staffing (-$211,00)/Housing
- Administrative Staffing (-$146,000)/City Manager's Office of Economic Development and Cultural Affairs
- San José Works – Youth Jobs Initiative (-$200,000)/City-Wide Expenses



City Service Area Highlights and Key Budget Actions (Cont'd)

Environmental and Utility Services CSA

Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $940 million and 818.49 authorized positions to the Environmental and Utility Services CSA, consisting of Core Services from the Energy Department, Environmental Services Department, and Transportation Department. The CSA-supported outcomes include: *Utility Services That Protect Public Health and the Environment; Affordable, Effective Utilities with Excellent Customer Care; Sustainable Utility Systems That Meet Future Needs; and Protected, Restored, and Maintained Environment*.

This Environmental and Utility Services CSA is responsible for a wide array of infrastructure and programs that maintain a healthy environment for residents, and ensure safe, sustainable, and efficient utility services. Investments are included to operate, maintain, and improve equipment for wastewater treatment; provide appropriate levels of compliance, risk management, and fiscal support resources for the procurement of renewable and conventional energy; and help lower recycling contamination rates that ultimately result in lower customer rate increases.

CSA priorities and expected service delivery highlights in 2026-2027 include the following:

- Utility Infrastructure Management – Build, operate, and maintain the City's wastewater, stormwater, recycled water, and potable water utility infrastructure for system reliability and public health and safety.
- Solid Waste Diversion – Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Promote Climate Action in the Community – Provide leadership on climate action through policy, measures, and programs that reduce greenhouse gases and ensure a long-term water supply. Support environmentally sustainable practices throughout the community through education, public-private partnerships, and the implementation of the Climate Smart San José plan.
- Promote Clean Energy – Continue operating the City's Community Choice Aggregation program with the goals of providing residents and businesses with a choice of electricity providers while progressing towards meeting greenhouse gas emissions reduction goals.

City Service Area Highlights and Key Budget Actions (Cont'd)

Important and Ongoing Core Service Work	
Residual Solids Management Operations Dredges ($2.4 million)/Environmental Services	Enhanced Street Sweeping for 100% Trash Load Reduction Compliance ($341,000)/Environmental Services and Transportation
South Bay Water Recycling Metering and Pressure Monitoring Improvements ($2.0 million)/ Environmental Services	Strategic Load Management Staffing ($300,000)/Energy
Sanitary Sewer Cost-of-Service Study ($575,000)/Environmental Services	Solid Waste Enforcement Program Staffing ($179,000)/Environmental Services
Storm Drain Inlet Marking Compliance ($375,000)/Environmental Services and Transportation	Energy Hedging Program Review ($175,000)/Energy
Fire Stations and Former Fire Training Center PFAS Investigation and Clean-up ($350,000)/ Environmental Services	Risk Management and Contracts Administration Compliance ($159,000)/Energy
	Demand Side Power Portfolio Management Staffing ($159,000)/Energy



The Wastewater Treatment Plant Collection – Artist: Robert Dawson (2010)

City Service Area Highlights and Key Budget Actions (Cont'd)

Neighborhood Services CSA

Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $386.6 million and 1,452.02 authorized positions to the Neighborhood Services CSA, consisting of Core Services from the Housing Department, Library Department, Parks, Recreation and Neighborhood Services Department, and Planning, Building and Code Enforcement Department. The CSA-supported outcomes include: S*afe and Clean Neighborhoods and Public Spaces; Welcoming and Vibrant Neighborhoods and Public Life; Equitable Access to Community Opportunities to Flourish;* and *Housing Security through Supportive Solutions.*

The City Council-approved Mayor's March Budget Message for Fiscal Year 2026-2027 continues the priority investment areas of *Reducing Unsheltered* Homelessness and *Cleaning up Our Neighborhoods* as core function of the Neighborhood Services CSA. While the Proposed Budget includes targeted improvements in these areas, it also includes optimizations and realigned service delivery within Beautify San José and the Interim Housing Portfolio to achieve ongoing costs savings without significant impacts. A few targeted investments are included within *Other Important and Ongoing Core Service Work*, while a number of actions reflect cost and service reductions to help bring the General Fund into structural alignment.

CSA priorities and expected service delivery highlights in 2026-2027 include the following:

- Provide access to information and knowledge resources for all San José residents, students, educators, and families including access to technology and print materials, classes, afterschool homework help for students, and educational and literacy programs for all ages; continue to lead the City's Education Strategy and Broadband Digital Empowerment Strategy.
- Provide access to healthy lifestyles through public parks and trails and public recreational programs and opportunities for people of all ages and abilities.
- Deliver neighborhood cleanliness services through graffiti abatement, management of illegal dumping and encampment trash, and removing biowaste pollution from RVs; continue homeless outreach and engagement services in coordination with abatements and maintained No Return / No Encampment Zones; maintain Gateway corridors; and further neighborhood association engagement and volunteerism with forums, neighborhood litter pickups, and dumpster days.
- Enhance management of the City's homeless shelter system to achieve greater systemwide efficiency by reducing operating costs, maintaining consistent high occupancy levels, increasing throughput from shelter to permanent housing, and ensuring alignment with the County's Coordinated Entry System while still addressing local needs.
- Respond to complaints and conduct inspections for code violations city-wide to address blight, substandard housing, illegal occupancy, unpermitted construction, etc., contributing to the overall health, safety, and quality of life of residents, businesses, and the community.
- Through the Animal Care and Services Center, provide care for 11,500 incoming animals with an estimated 18,500 calls for service while targeting a live release rate of 90%.

City Service Area Highlights and Key Budget Actions (Cont'd)

Reducing Unsheltered Homelessness

Homelessness Response Division Staffing (Continuation) ($622,000)/Housing

PATH-CITED Grant Staff Funding ($604,000)/Housing

Enhanced Engagement Program Staffing (Continuation) ($476,000)/Housing

Homelessness Response and Housing Production Staffing Alignment ($204,000)/Housing

Interim Housing Construction and Operations (-$1.25 million in 2026-2027 and $14.2 million ongoing)/City-Wide Expenses

Cleaning Up Our Neighborhoods

Enhanced Vacant/Dangerous Downtown Building Inspection (Continuation) ($175,000)/Planning, Building and Code Enforcement

BeautifySJ Grants ($50,000)/City-Wide Expenses

Beautify San José Program Optimization (-$4.2 million in 2026-2027 and $6.25 million ongoing)/Parks, Recreation and Neighborhood Services

Other Important and Ongoing Core Service Work

Fee Program Updates ($1.5 million, offset with revenues)/Parks, Recreation and Neighborhood Services

Alum Rock Park and City Parks/Open Spaces Vegetation Management ($1.0 million)/Parks, Recreation and Neighborhood Services

Animal Care and Services – Trap, Neuter, and Release and Spay and Neuter Services Expansion ($289,000)/Parks, Recreation and Neighborhood Services

Cost Reductions/Service Delivery Efficiencies/Funding Shifts/Revenues

Biblioteca Latinoamericana Facility Renovation Closure (-$821,000)/Library

San José Recreation Preschool Program (-$439,000)/ Parks, Recreation and Neighborhood Services

King Library California Room Public Access Closure (-$388,000)/Library

Nonfunctional Turf Removal Water Savings (-$384,000)/Parks, Recreation and Neighborhood Services

Parks Maintenance Redistricting, Citywide Sports Programming, and Lease Management (-$332,000)/ Parks, Recreation and Neighborhood Services

Viva CalleSJ and Viva Parks Events (-$302,000)/Parks, Recreation and Neighborhood Services

BEST Grant Program (-$142,000)/City-Wide Expenses

City Service Area Highlights and Key Budget Actions (Cont'd)

Public Safety CSA
Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $961.5 million and 2,541.26 authorized positions to the Public Safety CSA, consisting of Core Services from the Fire Department, Police Department, City Manager's Office of Emergency Management, and the Independent Police Auditor's Office. The CSA-supported outcomes include: *a Safer San José with Effective Emergency Response Services and Resilient Communities that are Prepared for Emergencies*.

The Public Safety CSA allocates most of its funding in alignment with the *Increase Community Safety* investment area. As one of the primary functions of a city is to provide public safety and emergency response services to its community, the City prioritizes targeted improvements in this critical service delivery area, despite budgetary constraints. Key investments in the Fire and Police Departments include launching the Community Paramedicine Pilot Program, which aims to reduce the overall burden on the emergency medical services system by providing specialized community-based care for high-utilizers and mental health needs; replacing, continuing, or acquiring necessary public safety equipment and making capital improvements; leveraging technology to streamline police incident reporting; and continuing patrol deployments along the Coyote and Guadalupe River trail networks.

The most significant actions defer previously planned service enhancements by enacting a two-year deferral for the opening of Fire Station 32 and the Police Training Center, originally anticipated to begin operations in spring 2026. However, given their importance, the Administration also recommends that these public safety facilities be prioritized for activation sooner if budgetary conditions improve. Other targeted reductions within the Public Safety CSA eliminate vacant positions, redeploy or reconfigure existing staffing to maintain or improve service delivery at a lower costs, and modestly scale back a limited set of non-emergency services.



CSA priorities and expected service delivery highlights in 2026-2027 include the following:

- Respond to calls for service of essential emergency services (patrol, fire suppression, rescue, and emergency medical services) in a safe, efficient, and effective manner.
- Continue regional all-hazard emergency management planning, training, and exercises.
- Provide a police misconduct complaint process that is thorough, objective, and fair.
- Effectively investigate crimes and seek successful prosecution of suspects.
- Provide expanded enforcement of Municipal Code violations related to neighborhood quality of life issues and coordinate across departments to implement the Code of Conduct for encampments.
- Advance the deployment and use of technology to enhance the delivery of public safety services where possible.

City Service Area Highlights and Key Budget Actions (Cont'd)

Increasing Community Safety

Police Department Sworn Backfill Reserve ($5.0 million)/General Fund Capital, Transfers and Reserves

Police Sworn Compensatory Time Buydown ($1.9 million)/Police

Bureau of Field Operations Overtime ($1.0 Million) /Police

Police Equipment Replacement ($915,000)/Police

Community Paramedicine Pilot Program ($764,000)/Fire

Artificial Intelligence Report Writing Tool ($750,000)/Police

Coyote and Guadalupe River Trail Patrol (Continuation) ($650,000)/Police

Fire Station Privacy Enhancements ($570,000)/ General Fund Capital, Transfers and Reserves

Fire Alerting System Network ($475,000)/ General Fund Capital, Transfers and Reserves

Automated License Plate Reader Cameras ($420,000)/Police

911 Call Center Upgrades FF&E ($350,000)/ General Fund Capital, Transfers and Reserves

Electronic Patient Care Table Replacement ($315,000)/Fire

Cost Reductions/Service Delivery Efficiencies/Funding Shifts/Revenues

Fire Station 32 Two-Year Deferral (-$4.7 million)/Fire

Unstaffed Unit Reduction (-$3.1 million)/Police

Police Training Center Two-Year Deferral (-$778,000)/Police

Police Administration Building Front Lobby Hours – Friday Closure (-$605,000)/Police

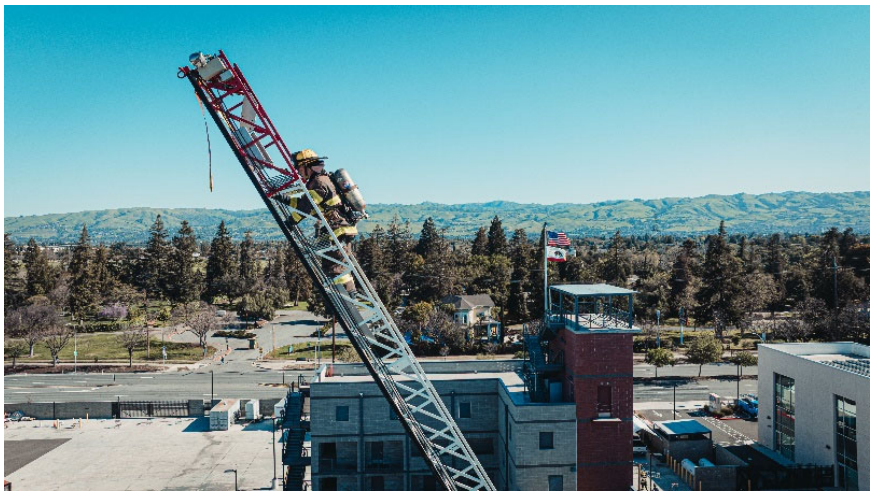
Wildland Engine Staffing Reconfiguration (-$491,000)/Fire

Disaster Preparedness and Emergency Response Modeling Software (-$310,000)/City Manager's Office of Emergency Management

School Crossing Guard Program (-$300,000)/Police

Emergency Medical Services Staffing (-$220,000)/Fire

Bureau of Field Operations Administrative Staffing (-$174,000)/Police



City Service Area Highlights and Key Budget Actions (Cont'd)

Transportation and Aviation Services CSA
Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $339.2 million and 621.51 authorized positions to the Transportation and Aviation Services CSA, consisting of Core Services from the Airport Department and Transportation Department. The CSA-supported outcomes include: *Effective and Equitable Transportation Modes that Promote a Strong Economy; Users Have a Positive, Reliable, and Efficient Experience; and Safe and Secure Transportation System that Enhances Community Livability.*

The Proposed Budget includes actions to ensure our airport operations are adequately resourced, and key investments are made for the safety, reliability and future enhancement of the City's transportation network. Within the *Increasing Community Safety* investment area, budget actions continue traffic safety project delivery and facilitate the full implementation of the City's Automated Speed Enforcement Program, which will be entirely offset by anticipated citation revenue and grant funds while also shifting General Fund costs to the Building and Structure Construction Tax Fund. Within the *Growing Our Economy* investment area, an action pursues commercial development opportunities on Airport-owned property.

CSA priorities and expected service delivery highlights in 2026-2027 include the following:



- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement. Prioritize implementation of Vision Zero Action Plan strategies to reduce traffic fatalities.
- Continue work on implementing balanced, multimodal goals of the Envision San José 2040 General Plan to provide a transportation network for all users that is safe, efficient, and sustainable.
- Provide parking for business, retail, and event customers and employees in Downtown parking facilities, as well as parking compliance services in support of businesses and programs.
- Operate San José Mineta International Airport efficiently while meeting all regulatory requirements for security and safety.
- Continue efforts to increase flights and passenger traffic while providing exceptional customer service with new, modern, up-to-date services and amenities.
- Continue to provide efficient and safe services for passengers, airlines, and tenants; regulatory compliance; priority maintenance and operations; and cost-effective operation of the Airport's shared-use model.

City Service Area Highlights and Key Budget Actions (Cont'd)

Increasing Community Safety

- Automated Speed Enforcement Program ($412,000)/Transportation
- Quick Build Projects on Priority Safety Corridors Staffing (Continuation) ($174,000)/Transportation
- Senter Road Multimodal Safety Improvement Project Staffing (Continuation) ($223,000)/Transportation

Growing Our Economy

- Airport Real Estate Development ($150,000)/Airport

Other Important and Ongoing Core Service Work

- Urban Forestry Grant ($1.8 million)/City-Wide Expenses
- Downtown Parking Rates and Hours ($106,000) /Transportation
- Willow Glen On-Street Parking ($297,000)/ Transportation
- New Traffic Infrastructure Assets Operations ($105,000)/Transportation
- Airport Facilities Landscape Management ($200,000)/Airport
- Airport FAA Mandated Wildlife Staffing (Continuation) ($64,000)/Airport

Cost Reductions/Service Delivery Efficiencies/Funding Shifts/Revenues

- Traffic Capital Vacant Positions Eliminations (-$381,000)/Transportation
- Traffic Safety Data Collection Staffing and Funding Shift (-$111,000)/Transportation
- Tree and Sidewalk Program Staffing (-$124,000)/Transportation
- Virtual Machine Migration to Cloud (-$20,000)/Transportation



City Service Area Highlights and Key Budget Actions (Cont'd)

Strategic Support CSA

Expected 2026-2027 Service Delivery Highlights and Key Budget Actions

The 2026-2027 Proposed Operating Budget allocates $580.0 million and 1,006.11 authorized positions to the Strategic Support CSA, consisting of Core Services from the Finance Department, Human Resources Department, Information Technology Department, and Public Works Department. The CSA-supported outcomes include: *Excellent City Service Delivery that Enhances Internal and External Customer Experience and Engagement; Strategic Investments in People, Technology, and Assets; and Inclusive, Adaptive, and Sustainable Environment*.

CSA priorities and expected service delivery highlights in 2026-2027 include the following:

- Ensure the City's financial resources are protected and available to address the short-term and long-term needs of the community; make accurate and timely payments to City employees and vendors; provide accurate and timely financial reports; procure and deliver top-notch products and services; and deploy efficient business systems and processes for timely billing and collection efforts.
- Hiring for Talent: Strive to maintain low vacancy rates by evaluating, streamlining, and innovating effective hiring practices, creating robust digital recruitment infrastructure and campaigns, and building long-term capacity through strategic pipeline programs.
- Maintain City facilities, equipment, and vehicles, and manage space usage; oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customers and City staff needs.
- Leverage innovative solutions and data to support City priorities and advance service delivery capabilities. Partner with City departments to implement initiatives that address service gaps, improving quality of life in San José. Provide departments with data analytics tools, relevant training, and dashboards that support evidence-based decision-making. Enhance services by promoting service design principles that support accessibility, responsiveness, and overall service impact for both residents and businesses.

All City services – from emergency response, to street sweeping, to branch library services, to recreational services, to public safety, to pavement maintenance, to airport operations, and others – rely on the day-to-day work of the Core Services within our Strategic Support departments. For ease of reference, the list below also includes budget actions related to the City Council Appointees and Mayor and City Council Offices.



City Service Area Highlights and Key Budget Actions (Cont'd)

While funding actions are in alignment with the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, the bulk of the limited new investments here are targeted to address critical unmet deferred capital maintenance needs or other areas of organizational risk. Strategic Support departments also play a key role in reducing General Fund costs through targeted service reductions. Though this budget includes the reductions highlighted below and others included elsewhere in the budget document, there is a practical limit to the ability of Strategic Support partners to further cut costs without impacting community-facing core services.

Other Important and Ongoing Core Service Work	
Information Technology Equipment Refresh ($5.0 million)/Information Technology	Office of Racial and Social Equity - Immigrant Community Support Services ($500,000)/City Manager's Office
9-1-1 Dispatch Backup Generator Replacement ($3.5 million)/ General Fund Capital, Transfers, Reserves	City-Wide Grants Management Software ($500,000)/Finance
City Hall Water Intrusion Remediation ($2.0 million)/ General Fund Capital, Transfers, Reserves	Fleet Maintenance Services Staffing ($380,000)/Public Works
Customer Experience Transformation ($3.9 million)/City-Wide Expenses	San José 311 Migration ($276,000)/Information Technology
Privacy and AI Automation Staffing ($825,000)/Information Technology	Legal Representation Staffing (Municipal Code Enforcement) (Continuation) ($221,000)/City Attorney's Office
Cybersecurity Operations Staffing and Services ($554,000)/Information Technology	Underutilized Vehicles Redistribution ($135,000)/Public Works



City Service Area Highlights and Key Budget Actions (Cont'd)

Cost Reductions/Service Delivery Efficiencies/Funding Shifts/Revenues	
Public Works Department Staffing Plan – Capital Improvement Plan (-$3.0 million)/Public Works	Help Desk Staffing (-$193,000)/Information Technology
Mayor and City Council Offices (-$383,000)/Mayor and City Council	Legal Representation Staffing (-$160,000)/City Attorney's Office
Budget and Finance Applications Support Staffing (-$236,000)/Information Technology	Office of the City Manager - City Manager's Chief of Staff Realignment (-$148,000)/ City Manager's Office
Workforce Development Pipeline Staffing (-$212,000)/Human Resources	Finance Administration Staffing (-$144,00)/Finance
Transfer to the Vehicle Maintenance and Operations Fund (-$250,000)/General Fund Capital, Transfers, Reserves	Payment Processing Staffing (-$139,000)/Finance
	Utility Billing Staffing (-$139,000)/Finance
Unanticipated/Emergency Repair and Maintenance (-$200,000)/General Fund Capital, Transfers, Reserves	In-Person Interpretation Services (-$125,000)/City Clerk

Fees and Charges Adjustments

The 2026-2027 Proposed Budget includes various adjustments to fees and charges to provide the resources necessary to pay for operating and capital improvement expenses. For utility rates, no rate increase is included for the Storm Sewer Service Charge. The Sanitary Sewer Service rates increase revenues by 1% for 2026-2027. The Municipal Water Utility System includes a revenue increase of approximately 8% for 2026-2027, and Recycle Plus rates include a 7.0% increase for single-family dwellings and a 4.0% increase for multi-family dwellings.

In the Development Fee Programs, fees decrease by 1.1% for the Building Development Fee Program, no fee increases are recommended for the Planning Development Fee Program, fees increase by 3% for the Public Works Development Fee Program, and fees increase by 3% for the Fire Development Fee Program to align program revenues with costs, maintain works-in-progress reserves, and enhance service levels where appropriate. Other upward and downward adjustments to various other departmental fee programs are included to generally maintain or improve City Council-approved cost recovery rates. The fee changes are described in the 2026-2027 Proposed Fees and Charges document.



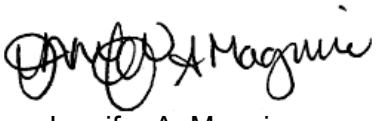
Welch Park Community Center – Spirit of Welch Park
Artist: Andrew Kong Knight

CONCLUSION

The 2026-2027 Proposed Budget performs the difficult task of strategically investing resources to meet important objectives of the City Council while also resolving the ongoing General Fund shortfall. As has been the City's long-standing practice, we must continue the prudent financial leadership exhibited by our elected officials, City management, and our outstanding employees. This also includes a commitment to the principles of equity, partnership, and innovation that provides a strong foundation upon which to create, maintain, and strategically expand vital public services over the long term.

I want to again express my sincere thank you and deep appreciation to all of the extremely hard-working staff involved in the preparation of this budget. This budget reflects the high talent level across the organization from line staff within each department, back-of-house strategic support staff, supervisors and managers, and the incredibly dedicated members of the City Manager's Budget Office. Our collective commitment to our *One Team* approach ensures that San José remains the best City it can be for our residents, businesses, visitors, and employees.

Respectfully Submitted,



Jennifer A. Maguire
City Manager

2026-2027 Budget Balancing Strategy Guidelines

1. As directed by the priorities identified in the City Council-approved Mayor's March Budget Message, develop a budget that balances the City's delivery of the most essential services to the community with the resources available. Consider current needs in the context of long-term service delivery priorities.
2. Pose explicit questions of equity – including who benefits and who is burdened – when considering changes to City services to achieve a balanced budget.
3. Balance ongoing expenditures with ongoing revenues to maximize service delivery within existing resources, to ensure no negative impact on future budgets, and to maintain the City's high standards of fiscal integrity and financial management. Assume increased revenues from the passage of the Transient Occupancy Tax ballot measure, but also recommend a contingency plan for City Council's approval should the ballot measure fail to ensure that the ongoing shortfall is fully resolved with ongoing solutions.
4. Evaluate program-level budgets to identify opportunities to reduce/eliminate or restructure services that yield cost reductions and allow for the preservation of City Council-approved Focus Areas service levels, critical CSA services and programs, and the City Manager's Foundational Strategic Support Focus Areas, to the extent practicable.
5. Prioritize resources to address truly significant community or organizational risks, critical services funded on a one-time basis in 2025-2026 in the General Fund, and/or respond to specific City Council direction.
6. Review existing vacancies for opportunities to reorganize and realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in proposal development.
7. Focus on service optimization and business process redesign to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, reorganizing/realigning functions, and reallocating resources).
8. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use City resources more efficiently and effectively. Explore mechanisms to improve equity and inclusion within service delivery models.
9. Identify City policy changes that would enable/facilitate service delivery improvements, as well as one-time and ongoing General Fund savings, including changes to the policy governing the use of Measure E revenues.
10. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
11. Consider delaying the opening of new City facilities as a near term cost reduction strategy.
12. Explore expanding existing revenue sources and/or adding new revenue sources.
13. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
14. Focus any available one-time resources on investments that 1) continue a very small number of high-priority programs funded on a one-time basis in 2025-2026 for which ongoing funding is not available; 2) address the City's unmet or deferred infrastructure needs; 3) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 4) accelerate the pay down of existing debt obligations where applicable and appropriate; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) provide for funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.
15. Engage employees in department and/or city-wide budget proposal idea development.
16. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.

Service Delivery Framework



General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

INTRODUCTION

This attachment is intended to provide a more detailed summary of the key actions taken to balance the 2026-2027 Proposed General Fund Budget. Revisions to the February Base Budget Forecast, as well as the key elements of the strategy to bring the General Fund into balance in the Proposed Budget, are described.

In February 2025, the Administration prepared formal projections for the 2026-2027 Proposed General Fund Budget as part of the *2026-2027 City Manager's Budget Request & 2027-2031 Five-Year Forecast and Revenue Projections* document that was released to the City Council. In that document, the 2026-2027 February Base Budget Forecast projections estimated a 2026-2027 General Fund shortfall of approximately $56.0 million. This shortfall represented the difference between projected 2026-2027 General Fund resources and the expected cost of approved 2026-2027 Base Budget services in next year's dollars, as well as several City Council "committed" additions (e.g., additional operating and maintenance costs for capital projects in the 2026-2027 Capital Improvement Program or for projects approved by the City Council during 2025-2026).

Subsequent to the release of the February Forecast and based on updated information, a number of revisions to both expenditures and revenue estimates were made, which constitutes the "Revised Base Budget Forecast" included in the Proposed Budget.

The revisions to the February Base Budget Forecast included a series of changes that revised the shortfall slightly lower due to a number of factors, including corrections to personal services and non-personal/equipment costs within the Base Budget and minor revisions to several revenue categories. These changes resulted in the shortfall decreasing from $56.0 million to $50.3 million in 2026-2027. These adjustments to the February Base Budget Forecast are described in more detail later in this section.

The Proposed Budget contained a set of actions that increased the General Fund sources (by $66.3 million) and increased uses (by $16.0) from the Revised Base Budget Forecast, bringing the overall General Fund into balance for 2026-2027. The increase in sources of $66.3 million included several major components, including: liquidation of various earmarked reserves ($44.1 million); additional Transient Occupancy Tax revenue ($6.8 million), which represents the General Fund revenue increase from raising the Transient Occupancy Tax from 10% to 12%; higher transfer revenue from special and capital funds to the General Fund ($4.9 million); and other revenue changes ($10.6 million). The net increase in uses ($16.0 million) included: investments toward unmet/deferred technology, infrastructure, and maintenance needs ($21.9 million); service level enhancements ($7.3 million); continuation of 2025-2026 one-time funded services ($3.7 million); earmarked reserves ($5.5 million); and revenue-supported (other fee programs/grants/reimbursements) expenditures ($3.4 million). Thes increases are partially offset by various cost reductions to bring the General Fund into structural alignment, including: service reductions/service delivery efficiencies/funds shifts (-$18.9 million); Beautify San José program efficiencies (-$4.2 million); and reduced operating costs for interim housing (-$1.25 million). The result of these actions was a balanced 2025-2026 Proposed General Fund Budget of $1.7 billion.

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

INTRODUCTION

Table I below displays the overall projections for the 2026-2027 General Fund as they changed between the February Base Budget Forecast and the Proposed Budget. Table II summarizes the changes from the February Base Budget Forecast to the Revised Base Budget Forecast, excluding carryover for prior year encumbrances. The specific elements of the City Manager's Proposed Budget balancing strategy are summarized in Table III.

Table I
2026-2027 PROPOSED OPERATING BUDGET
Forecast to Proposed Budget Reconciliation (in $000s)

	Total Sources	Total Uses	(Shortfall)/ Surplus
February Base Budget Forecast	**$ 1,561,427**	**$ 1,617,445**	**($ 56,018)**
Forecast Revisions	$ 2,066	($ 3,649)	$ 5,715
Revised Base Budget Forecast (no fee impact)	**$ 1,563,493**	**$ 1,613,796**	**($ 50,303)**
Proposed Revisions	$ 66,342	$ 16,039	$ 50,303
2026-2027 Proposed Budget	**$ 1,629,835**	**$ 1,629,835**	**$ 0**

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

As discussed previously, following the issuance of the February Base Budget Forecast, detailed analysis of the status of General Fund revenues and expenditures continued. Based on this review, the Proposed Budget incorporated a series of changes to the February Base Budget Forecast estimates for both sources and uses to form a Revised Base Budget Forecast. These changes resulted in a decrease of $5.7 million to the estimated General Fund shortfall, for a revised shortfall of $50.3 million. Changes are detailed in Table II below.

Table II
2026-2027 REVISED BASE BUDGET FORECAST
Summary of Changes (in $000s)

Sources	Revision
Property Tax (ERAF)	$ 4,000
Beginning Fund Balance (Reserve Liquidation)	2,500
Transfers and Reimbursements	1,176
Other Revenue	692
Fees, Rates, and Charges	198
Sales Tax	(6,500)
Net Change in Sources	**$ 2,066**

Uses	Revision
Position and Fund Realignments/ Corrections	$ (2,743)
Non-Personal/Equipment, City-Wide Expenses, Capital Contributions, Transfers to Other Funds	(907)
Net Change in Uses	**($ 3,649)**

Total Change (Shortfall)/Surplus	**$ 5,715**

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Source of Funds

A summary table is provided below for the revenue changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2026-2027 Budget.

Category	$ Change	Description
Beginning Fund Balance	2,500,000	Increase of $2.5 million reflects partial liquidation of the Revenue Loss Reserve to partially offset the anticipated decline in General Sales Tax County Pool receipts for 16 quarters as a result of a recently resolved dispute with the California Department of Tax and Fee Administration (CDTFA).
Transfers and Reimbursements	1,176,485	Increase of $1.2 million reflects updated overhead reimbursements from capital and operating funds based on the final 2026-2027 Base Budget and overhead rates.
Other Revenue	691,725	Increase of $691,725 reflects reimbursement revenue from Pacific Gas and Electric (PG&E) for staffing costs related to the Large Load Energy Program.
Revenue from Local Agencies	115,000	Increase of $115,000 aligns the revenue with the estimated payments from other agencies for comprehensive animal care and control services delivered by San José Animal Care and Services on behalf of the contracting jurisdictions.
Licenses and Permits	74,099	Net increase of $74,099 aligns revenues with estimated base costs and activity levels for the Multiple Housing Fee Program ($376,876) and the Animal Care and Services Fee Program (-$302,777).
Fees, Rates, and Charges	9,000	Net increase of $9,000 aligns revenues with estimated base costs and activity levels for Library Department fees.
Sales Tax	(6,500,000)	Decrease of $6.5 million to reflect the anticipated drop in General Sales Tax County Pool receipts resulting from a recently resolved dispute with the CDTFA, of which $2.5 million is a temporary annual reduction during the 16-quarter payback period.
Total	**$ 2,066,309**	

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

REVISED BASE BUDGET FORECAST

Use of Funds

Provided below is a listing for all expenditure changes incorporated into the Revised Base Budget Forecast, which were used as the starting point in preparing the 2026-2027 Budget.

Category	$ Change	Department
Personal Services		
- Net-Zero Reallocation of Position Savings to Overtime ($4.9M)	$ 0	Police
- Bay Area Rapid Transit (BART) Policing Services	(2,641,750)	Police
- Animal Care and Services interdepartmental shift (vacancy savings)	(207,434)	PRNS
- Other Miscellaneous Personal Services Adjustments	106,296	Citywide
Non-Personal/Equipment		
- Janitorial Services	$(400,000)	Public Works
- Psychiatric Emergency Response Team	(230,000)	Police
- Microsoft Licenses and Network Support	(191,000)	Information Technology
- Lake Cunningham Security Services	(57,680)	PRNS
- Guadalupe River Park Conservancy	(52,950)	PRNS
City-Wide Expenses		
- Day of Service	$25,000	Human Resources
Total	**($ 3,649,518)**	

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Table III
2026-2027 PROPOSED OPERATING BUDGET
General Fund Balancing Strategy (in $000s)

	2026-2027	Ongoing
2026-2027 Revised General Fund Surplus/(Shortfall)	**$ (50,303)**	**$ (50,303)**
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
Budget Stabilization Reserve	$ 35,000	$ 0
Information Technology Sinking Fund Reserve	6,561	0
Business Tax System Replacement (Encumbrance Liquidation)	2,479	0
Other Beginning Fund Balance Adjustments	3,234	0
Transient Occupancy Tax	6,750	9,500
Grants/Reimbursements/Fees:		
Parks, Recreation and Neighborhood Services Fee Update	2,050	2,050
Urban and Community Forestry Grant	1,763	354
Fees and Charges Adjustments	1,402	1,402
Commercial Solid Waste CPI Adjustment	406	406
Coyote and Guadalupe River Trail Patrol	325	0
Valley Transit Authority Board Coordination	149	0
San José Recreation Preschool Program	(155)	(155)
Other Grants/Reimbursements/Fees	118	100
Other Revenue Changes:		
Transfers to the General Fund	4,900	3,200
Business Tax Collections	551	662
Subrogation Recovery	500	500
Other Revenue Changes	182	182
Overhead Reimbursements	128	158
Subtotal Source of Funds	**$ 66,342**	**$ 18,359**
Use of Funds		
Unmet/Deferred Technology, Infrastructure, and Maintenance	$ 21,930	$ 743
Service Level Enhancements	7,265	4,202
Earmarked Reserves	5,500	0
Previously One-Time Funded Services (from 2025-2026)	3,705	1,287
Other Fee Programs/Grants/Reimbursements	3,376	1,825
Essential Services Reserve	2,000	0
New Infrastructure/Equipment Operations and Maintenance	231	341
Service Reductions/Service Delivery Efficiencies/Fund Shifts	(18,921)	(19,371)
Beautify San José	(4,177)	(6,430)
Use of Reserves	(3,621)	(341)
Interim Housing Construction and Operation	(1,250)	(14,200)
Subtotal Use of Funds	**$ 16,039**	**$ (31,944)**
Total Balancing Strategy	**$ 50,303**	**$ 50,303**
Remaining Balance	**$ 0**	**$ 0**

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Specific City Council direction regarding the preparation of the Proposed Budget was provided in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council (see Appendices Section of this document). The details of the specific direction of that Message and the corresponding responses contained in this budget are provided in Attachment B following this section in the City Manager's Message. Attachment C contains information regarding the status of City Auditor recommendations with funding impacts.

Source of Funds

From the Revised Forecast of $1.563 billion, a net increase of $66.3 million to the General Fund revenue estimates is included in the Proposed Budget, bringing the 2026-2027 revenue estimate to $1.63 billion (including fund balance). The components of this change include an increase to the estimate for the 2025-2026 Ending Fund Balance/2026-2027 Beginning Fund Balance ($47.3 million) and an increase to various revenue categories ($19.1 million). The revenue changes are summarized in the table below.

Category	$ Change	Description
Beginning Fund Balance	$ 47,274,155	Increase of $47.3 million reflects: the liquidation of various reserves ($44.1 million), including the Budget Stabilization Reserve ($35.0 million), Information Technology Sinking Fund Reserve ($6.6 million), Artificial Turf Capital Replacement Reserve ($1.6 million), and Multiple Housing Fee Program Reserve ($900,000); liquidation of a carry-over encumbrance for the Business Tax System ($2.5 million); and rebudget of funds for expenditure-related items that will not occur until 2026-2027 ($734,000).
Transient Occupancy Tax	6,750,000	Increase of $6.8 million reflects the General Fund revenue increase from raising the Transient Occupancy Tax from 10% to 12%. The Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, directed the City Manager to assume the passage of Measure A in the 2026-2027 Budget. Measure A will be considered by San José voters on June 2, 2026.

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Category	$ Change	Description
Transfers and Reimbursements	$ 5,075,376	Increase of $5.1 million reflects increased transfers ($4.9 million) from the following funds: Construction Excise Tax Fund ($1.5 million), San Jose Municipal Golf Course Fund ($1.5 million), General Purpose Parking Fund ($1.2 million), Integrated Waste Management Fund ($700,000), and Convention and Cultural Affairs Fund ($47,000). In addition, $128,376 reflects increased overhead from budget actions that change the staffing levels funded by special and capital funds.
Fees, Rates, and Charges	2,292,724	Net increase of $2.3 million primarily reflects new revenue anticipated to be received as a result of updating the Parks, Recreation and Neighborhood Services Department Fee Program ($2.1 million) and reducing the San José Recreation Preschool Program ($-155,257). In addition, $447,981 reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department ($243,527), Code Enforcement Program ($106,819), Animal Care and Services Program ($35,545), Library Department ($26,590), miscellaneous fees ($65,917), and Police Department (-$30,417).
Revenue from Federal	1,762,686	Increase of $1.8 million reflects new federal grant revenue for the Urban and Community Forestry Program.
Licenses and Permits	943,345	Net increase of $943,345 reflects various license and permit changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Animal Care and Services Fee Program ($329,183), Code Enforcement Fee Program ($254,863), Fire Development Fee Program ($228,291), and Police Department licenses and permits ($131,008).

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Source of Funds

Category	$ Change	Description
Business Taxes	$ 551,000	Increase of $551,000 reflects additional General Business Tax revenue anticipated to be received for delinquent business tax accounts as the result of adding a new Investigative Collector position in the Finance Department.
Revenue from Use of Money and Property	500,000	Increase of $500,000 reflects additional subrogation recovery revenue that is anticipated to be collected by the Finance Department.
Revenue from Local Agencies	473,575	Increase of $473,575 reflects new reimbursement funding from the Santa Clara Valley Water District for trail patrol along coyote Creek Trail ($162,500) and Gaudalupe River Trail ($162,500). In addition, reimbursement funding is anticipated from Valley Transportation Authority (VTA) for coordination with the City of San José and the VTA Board ($148,575).
Franchise Fees	405,763	Increase of $405,763 reflects a Commercial Solid Waste fees increase of 2.7% based on cost changes including a Consumer Price Index adjustment.
Fines, Forfeitures and Penalties	167,500	Increase of $167,500 reflects additional parking meter revenue in the Willow Glen area ($97,500), and the Downtown core ($70,000).
Other Revenue	145,720	Increase of $145,720 reflects revenue anticipated to be received from the Accounts Receivable Amnesty program that will be conducted by the Finance Department ($135,000), and reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department ($10,720).
Total	**$ 66,341,844**	

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

From the Revised Base Budget Forecast of $1.47 billion, a net increase of $16.0 million to the General Fund expenditures was brought forward, bringing the 2026-2027 Proposed Budget Use of Funds estimate to $1.63 billion. A listing of the Adopted Budget modifications is provided by specific categories in Table III and briefly discussed in the following table. Further detail is incorporated into the CSA and departmental sections of this document.

Category	$ Change	Description
Unmet/Deferred Technology, Infrastructure, and Maintenance	$ 21,929,842	To address a portion of the backlog for unmet and deferred technology, infrastructure and maintenance needs, funding of $21.9 million is included in the 2026-2027 Proposed Budget for the City's most urgent repairs needs, including, among others, the: Information Technology Equipment Refresh ($5.0 million); Customer Experience Transformation project ($3.9 million); 9-1-1 Dispatch Backup Generator Replacements ($3.5 million); City Hall Water Intrusion Remediation ($2.0 million); Patty O'Malley Artificial Turf Field Replacement ($1.6 million); and Alum Rock Park and City Parks/Open Spaces Vegetation Management ($1.0 million). These and additional investments are described in more detail in the respective department sections of this document.
Service Level Enhancements	7,264,867	Total funding of $7.3 million is included in the Proposed Budget for service level enhancements. The largest investments in this category include: Police Compensatory Time Buydown ($1.9 million); Bureau of Field Operations Overtime ($1.0 million); Privacy and AI Automation Staffing ($825,000); Artificial Intelligence Report Writing Tool ($750,000); Cybersecurity Operations Staffing and Services ($554,000); Major Events Staffing and Programming ($350,000); Animal Care and Services - Trap, Neuter, and Release and Spay and Neuter ($289,000); San José 311 Migration ($276,000); Stitching Districts Initiative ($250,000); and Historic Buildings Inventory ($250,000). Other service level enhancements are described in the Department and City-Wide sections of this document.

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Category	$ Change	Description
Earmarked Reserves	5,500,000	One-time Earmarked Reserves, totaling $5.50 million, include the Police Department Sworn Backfill Reserve ($5.0 million) and the Children and Youth Services Master Plan Implementation Reserve ($500,000).
2025-2026 Previously One-Time Funded Services	3,705,291	Funding is included to continue services that were funded on a one-time basis in 2025-2026. The largest investments in this category include the: Coyote and Guadalupe River Trail Patrol ($650,000); Business Outreach and Development Staffing ($536,000); Office of Racial and Social Equity – Immigrant Community Support Services ($500,000); Automated License Plate Reader Cameras ($420,000); Sports Authority ($250,000); Information Technology Public Information Staffing ($249,000); Legal Representation Staffing ($221,000); and Fire Stations PFAS Investigations and Cleanup ($200,000). Other previously one-time funded services are described in the Department and City-Wide sections of this document.
Other Fee Programs, Grants, and Reimbursements	3,376,446	The actions in this category are partially offset by revenue from fees, grants, or reimbursements and include: Inflation Reduction Act – Urban Forestry Grant (Transportation) ($1.8 million); PRNS Fee Programs Update ($1.5 million); and VTA Board Coordination (-$149,000).
Essential Services Reserve	2,000,000	This action establishes an Essential Services Reserve in the amount of $2.0 million that will be used to support services that are of essential importance to the City's residents.

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Category	$ Change	Description
New Infrastructure / Equipment Operations and Maintenance	$ 231,000	The Adopted Budget includes $231,000 for operations and maintenance costs associated with new and expanded parks and recreation facilities ($126,000) and new traffic infrastructure assets ($105,000).
Service Reductions/Service Delivery Efficiencies/Fund Shifts from Other Funds	(18,920,535)	Net decrease of $18.9 million primarily resulting from efficiencies and other cost saving measures, including: Fire Station 32 Two-Year Deferral (-$4.7 million); Unstaffed Unit Reduction (-$3.1 million); Police Training Center Opening Two-Year Deferral (-$778,000); Biblioteca Latinoamericana Facility Renovation (-$709,000); Police Headquarters Front Lobby Hours – Friday Closure (-$605,000); Automated Speed Enforcement Program (-$574,000); Wildland Engine Staffing (-$491,000), San José Recreation Preschool Program (-$439,000); California Room Public Access Closure (-$388,000); Nonfunctional Turf Removal Water Savings (-$384,000); Recruitment Staffing Funding Shifts (-$361,000); Parks Maintenance Redistricting, Citywide Sports Programming, and Lease Management (-$332,000); Office of Emergency Management – Disaster Preparedness and Emergency Response Modeling Software (-$310,000); Viva CalleSJ and Viva Parks Events (-$302,000); and Park Ranger Vacancy Savings (-$300,000). These and additional cost reductions are described in more detail in the respective department sections of this document.

General Fund Balancing Strategy Detail
2026-2027 Proposed Operating Budget

PROPOSED BUDGET BALANCING STRATEGY

Use of Funds

Category	$ Change	Description
Beautify San José	$ (4,176,684)	This action reduces funding for Beautify San José (BSJ) by $4.2 million in 2026-2027 and $6.4 million to reflect savings from reduced reliance on external vendors and Police Officer secondary employment costs for large abatements, as well as a series of staffing shifts that: reduces the Abatement Program from five teams to three, eliminates the Waterways Abatement Team and redeploys other staff to the No Encampment Zone team, in addition to other reassignments. These actions are described in more detail in the Parks, Recreation and Neighborhood Services Department section of this document.
Use of Reserves	(3,621,000)	The Adopted Budget includes the use of the Deferred Infrastructure and Maintenance Reserve (-$2.0 million); Police Equipment Replacement Sinking Fund Reserve (-$915,000); Fire Equipment Replacement Sinking Fund Reserve (-$475,000); New Parks and Recreation Facilities Operations and Maintenance Reserve (-$126,000); and New Traffic Infrastructure Assets Operations and Maintenance Reserve (-$105,000).
Interim Housing Construction and Operation	(1,250,000)	This action decreases the Interim Housing Construction and Operations funding in the General Fund by $1.25 million in 2026-2027 and $14.2 million in 2027-2028, reflecting service delivery changes and cost sharing within the City's Interim Housing portfolio. This action is described in more detail in the Housing Department section of this document.
Total	**$ 16,039,227**	

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Status of Mayor and City Council Referrals
2026-2027 Proposed Operating Budget

The Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by City Council on March 17, 2026, contains policy direction and a framework of priorities for the City Manager to use in the development of the 2026-2027 Proposed Operating and Capital Budgets. The complete Budget Message can be found in the Appendix section of this document. The matrix below provides responses by category for how the direction was addressed in the development of the 2026-2027 Proposed Budget.

Included in the 2026-2027 Proposed Budget
This column is marked if the referral was addressed through an action included in the 2026-2027 Proposed Operating or Capital Budget.

Addressed in an Upcoming Manager's Budget Addendum
This column is marked if the response to the referral will be included in a Manager's Budget Addendum (MBA) scheduled for release later in the budget process.

Current or Future Referral/Policy Work
This column is marked if the response to the referral does not require a budget action but is considered direction to the Administration. An update on the referral/policy work will be provided at a future City Council meeting, a City Council Committee meeting, through an Information Memorandum, or through some other means. A status on these referrals will be provided several times throughout the fiscal year.

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		Response Category		
Mayor's Budget Message Priority Area	**Referral**	**Included in the 2026-2027 Proposed Budget**	**Addressed in an Upcoming Manager's Budget Addendum**	**Current or Future Referral/ Policy Work**
Continuing Our Commitment to Focus	Return with a Manager's Budget Addenda (MBA) that provides a recommended framework for the next phase of the City Council Focus Areas. The MBA should incorporate the direction contained in this March Budget Message and the lessons learned from this fiscal year's execution of previously directed work. The recommended framework should refine performance measures for the dashboards where appropriate; ensure alignment with budgetary investments and organizational capacity; provide the Mayor and City Council with a clear, focused, and actionable approach to sustain measurable progress across the Focus Areas in the coming fiscal year; and outline where pending policy considerations may be reprioritized within the Focus Areas.		X	
Current Budget Outlook	In alignment with her 2026-2027 Budget Request, the City Manager should employ the following strategies in the development of the 2026-2027 Proposed Budget that also fully resolves the projected ongoing General Fund shortfall. ●Ensure a comprehensive review of existing spending to identify cost efficiencies and service optimizations that have minimal, if any, noticeable service impacts; ●Increase cost recovery levels for fee-support services, while still being mindful of affordability impacts; ●Identify implementable new revenue streams and include the additional revenues from the ballot measure increasing the Transient Occupancy Tax by 2%, and include a contingency plan of spending reductions should the June ballot measure fail; ●When considering spending reductions, ○Preserve funding for the City Council Focus Areas and the day-to-day core services of the City to the extent feasible, especially those that are vital to marginalized communities; ○Evaluate services with relatively low levels of activity, overlap with services provided by other organizations, or are otherwise outside of the City's traditional core service delivery functions; ○Recommend a phased approach of certain reductions, allowing for a two-year transition where appropriate to help mitigate impacts; and ○Leverage one-time funding to support one-time uses – including deferred infrastructure projects, technology investments, and a limited suite of one-time service enhancements – one-time funding cannot be used to resolve our ongoing shortfall.	X		
Reducing Unsheltered Homelessness	Return with an MBA summarizing and estimating the impact of the various cost-saving and revenue-generating opportunities for our interim housing system in FY 2026-2027, including standardizing and, in some cases, competitively rebidding service contracts, securing CalAIM reimbursements for qualifying services, establishing a fee-based program akin to Sacramento's, and creating a fee-for-service program that partner agencies can utilize.		X	
Reducing Unsheltered Homelessness	Prioritize advocacy for at least $1 billion in annual HHAP funding from the State.			X
Reducing Unsheltered Homelessness	Work with partners locally and across the State to explore peer-to-peer programs that build confidence and help reduce operating costs.			X
Reducing Unsheltered Homelessness	Prioritize low-income, low-acuity individuals from our interim housing system for affordable housing units funded by the City as those units become available.			X
Reducing Unsheltered Homelessness	Identify common barriers for throughput, such as clients rejecting offers for PSH, and return to Council with policy recommendations to increase throughput and utilization of our interim shelter system.			X

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Reducing Unsheltered Homelessness	Accelerate this work [convert select sites motel sites to permanent low-income housing, such as Single Room Occupancy units or other permanent low-income housing] and return with a clear acquisition and conversion strategy by Fall 2026. Explore pursuing the actions necessary to convert the 1 Branham Lane Emergency Interim Housing Community into permanent housing. Pursue a preference for individuals with disabilities and for individuals age 55 or older during the transition period. Release an informational memorandum on the status of the transition at 1 Branham before the end of the calendar year.			X
Reducing Unsheltered Homelessness	Preserve modest funding for the RV buyback program.	X		
Reducing Unsheltered Homelessness	Preserve 10% of Measure E revenues for homelessness prevention and to explore local, state, federal, and philanthropic funding sources to expand our collective prevention efforts.	X		
Reducing Unsheltered Homelessness	Work in partnership with the Mayor's Office to augment the City's investments in prevention.			X
Reducing Unsheltered Homelessness	Continue advocating for a statewide "fair share" framework that requires each city and county to invest in prevention and build and operate interim solutions to help end the era of encampments statewide, thereby reducing pressure on our local system.			X
Reducing Unsheltered Homelessness	Continue collaborating with the County to integrate 90% of the City's emergency interim housing capacity to CES while maintaining priority for San José residents; the remaining 10% will continue to provide capacity for City-specific needs.			X
Reducing Unsheltered Homelessness	Evaluate our current portfolio and recommend at least two sites where the County can consider direct cost-sharing agreements.			X
Reducing Unsheltered Homelessness	Estimate the cost savings associated with our expanded partnership with the County in the forthcoming MBA summarizing other work to reduce net operating costs in our interim housing and homeless services portfolio.		X	
Reducing Unsheltered Homelessness	Engage all relevant stakeholders to align the Community Plan to End Homelessness for 2025-2030 with the City's mathematical model for achieving functional zero and the new City-County partnership framework.			X
Reducing Unsheltered Homelessness	Work with the SJDA to strategically align outreach efforts to maximize efficiency and reduce potential duplication of services, allowing them to focus more on small business attraction and retention.			X
Reducing Unsheltered Homelessness	Continue collaboration with the County as our teams design better outreach, intake, and referral processes and provide a report to the Public Safety, Finance, & Strategic Support (PSFSS) Committee with initial data and findings in Fall 2026.			X
Reducing Unsheltered Homelessness	Carry over remaining funds to continue the program and leverage existing flexible funding for interim housing operators to offer relocation support, including but not limited to helping individuals reunite with loved ones, paying for deposits, and covering basic move-in needs.	X		
Reducing Unsheltered Homelessness	Measure the efficacy of SJ Bridge and recommend options for optimizing the program to sustain or increase the number of job placements per year while balancing limited funding sources.	X		X

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Reducing Unsheltered Homelessness	Prioritize preserving our progress along the City's existing NEZ, consistent with Stormwater Permit obligations and Focus Area goals. The City Manager should assess current staffing, the remaining mileage identified in the City's multi-year compliance strategy, the estimated resources needed, potential funding strategies, and possible service trade-offs so the Council can make informed decisions about sequencing, scale, and fiscal sustainability. Further, the City Manager is directed to formalize criteria for establishing and maintaining NEZ, including performance metrics for ongoing monitoring and re-encampment prevention.	X		X
Reducing Unsheltered Homelessness	Right-size BSJ operations by reducing reliance on contracted services while maintaining the resources needed to provide trash and biowaste services, ensure compliance with the Code of Conduct, and preserve our existing NEZ.	X		
Reducing Unsheltered Homelessness	Advocate for State ERF funds to be prioritized for cities with existing DMAs.			X
Reducing Unsheltered Homelessness	Complete the work underway, evaluate lessons learned from all of these initiatives, and return to the City Council as part of future Focus Area updates with recommendations for preventing the prolonged parking of oversized vehicles on city streets. Further, direct the City Manager to align existing resources to enhance parking enforcement immediately near existing NEZ.			X
Cleaning Up Our Neighborhoods	Incorporate performance metrics into the Cleaning Up Our Neighborhoods Focus Area Dashboard that capture reductions in repeat violations and shorter case durations as we strive to eliminate chronic blight.			X
Cleaning Up Our Neighborhoods	Provide one-time funding to continue this program and produce an MBA updating the cost-recovery fee structure to sustain this work into future years.	X	X	
Cleaning Up Our Neighborhoods	Accelerate this work by exploring delegating authority to BSJ to issue pre-citation warning letters, with the goal of reducing notification timelines to approximately 10 days, which should be measured and reflected in both the BeautifySJ Annual Report and the Cleaning Up Our Neighborhoods Focus Area Dashboard.			X
Cleaning Up Our Neighborhoods	Produce an MBA with analysis and recommendations for a fee-for-service model that would allow, on a pilot basis, city staff to address graffiti on private property more quickly with minimal or no impact on the General Fund.		X	
Cleaning Up Our Neighborhoods	Evaluate deploying AI-enabled monitoring on existing City-owned camera infrastructure to strengthen enforcement and return to City Council with recommendations if a cost-effective implementation is likely to reduce blight.			X
Cleaning Up Our Neighborhoods	Produce an MBA that: ●Evaluates how Free Junk Pickup and BSJ's illegal dumping response can be better integrated, with a goal of maximizing blight reduction per dollar spent. ●Quantifies performance gaps by tracking the frequency and root causes of incomplete Free Junk Pickup requests and, if feasible, assesses whether these incidents generate calls for service that require BSJ follow up. ●Assesses outreach effectiveness in hotspot neighborhoods and proposes strategies for aligning the Environmental Services Department and BeautifySJ public education and marketing efforts.		X	

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Cleaning Up Our Neighborhoods	Provide one-time funding to support SJ311 advisory, technical, and implementation capacity necessary to advance this work and deliver sustained improvements in service tracking and responsiveness.	X		
Cleaning Up Our Neighborhoods	Maintain funding for these grant programs.	X		
Increasing Community Safety	Continue investments in marketing, recruitment, lateral hiring incentives, and backgrounding to accelerate hiring timelines.	X		
Increasing Community Safety	Continue funding the Cadet-to-Academy stipends to maintain engagement with prospective officers who have strong local ties.	X		
Increasing Community Safety	Continue funding RTIC and evaluate the integration of additional City-owned camera networks, including Airport, Library, and Department of Transportation systems.	X		X
Increasing Community Safety	Identify, and conduct outreach to, the remaining crime-impacted corridors that would benefit from RTIC integration, with the goal of expanding the integration of these devices to help SJPD solve crimes faster.			X
Increasing Community Safety	Allocate funding to pilot an improved AI-assisted transcription solution that can be expanded if the initial results are promising.	X		
Increasing Community Safety	Organize a study mission to San Diego County with City, County, and judicial partners to examine its Prop 36 implementation framework and assess how its alignment of enforcement and treatment pathways could inform improvements locally. Further, the City Manager is directed to convene City and County leadership to present findings, establish a system for tracking sentencing outcomes and reoffenses, and report back to PSFSS with recommendations to increase treatment use and reduce repeat contacts with law enforcement.			X
Increasing Community Safety	Design and allocate one-time funding, leveraging opioid settlement funds if feasible, to pilot a Community Paramedicine model focused on reducing avoidable emergency calls and repeat 911 utilization, and establish measurable performance outcomes in the Increasing Community Safety Focus Area Dashboard. Further, as we continue optimizing the pathways for residents in need of medical care, the City Manager is directed to assess the feasibility of implementing a 911 telemedicine model.	X		

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Increasing Community Safety	Set aside one-time funding of $500,000 – with the option to earmark a portion to leverage additional private investment—and return with an MBA recommending how to expend these funds to advance CYS Master Plan priorities. The MBA should consider the role of the San José Youth Empowerment Alliance (SJYEA), the City's primary platform for youth violence prevention and intervention, and prioritize optimizing SJYEA's highest-performing and highest-reaching initiatives. The MBA should also describe how the expenditure of the $500,000 complements the continuation of existing City programs aligned with CYS Master Plan priorities – including youth intervention, afterschool programming, and family stabilization efforts. Investments should remain place-based and equity-centered in communities with the greatest need. Further, to sustain and scale what works, the City Manager is directed to identify steps that can be taken next fiscal year – through SJYEA or another appropriate forum – to engage partners in identifying programs that would have the greatest impact in advancing the CYS Master Plan, and to return with recommendations to the Neighborhood Services and Education Committee in Fall 2026.	X	X	X
Growing Our Economy	Develop a three- to five-year Business Development Strategy that identifies three priority industry clusters where San José demonstrates a distinct competitive advantage and return to City Council by December 2026.			X
Growing Our Economy	Explore streamlining the approval of advanced manufacturing in Light Industrial (LI), Heavy Industrial (HI), and Industrial Park (IP) zoning districts by designing a ministerial approval process that accelerates investment while maintaining standards.			X
Growing Our Economy	Evaluate the Downtown Leasing Incentive Program and return to Council with recommendations to improve its effectiveness.			X
Growing Our Economy	Initiate a procurement to identify potential development partners capable of realizing a Sports and Entertainment District, and explore the allocation of one-time funding to analyze the site readiness of key assets, and return to City Council with recommendations no later than December 2026.			X
Growing Our Economy	Explore the allocation of one-time funding to match up to $250,000 of Downtown Property-Based Improvement District funding to complete the current phase of the Stitching Districts initiative, and to expand the connectivity to include additional geographies, and work with stakeholders to advance the next phase of connections that strengthen safety, activation, and private investment.	X		
Growing Our Economy	Identify and prioritize near-term capital improvements that position the Convention Center to attract high-impact events and maximize TOT revenue. Evaluate opportunities to improve the efficiency of arts and cultural grants with existing resources. Any spending decisions related to TOT-supported programs should be made following the June Election, when Council can consider potential uses of additional revenue.	X		
Growing Our Economy	Build on the permitting software pilot and advance procurement of a centralized permitting and billing system to streamline this process.			X
Growing Our Economy	Continue funding the Storefront Activation Grant on an ongoing basis, explore a modest increase in funding to address unmet demand, streamline the application process, and explore philanthropic partners to match City contributions.	X		

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Growing Our Economy	Recommend process improvements that reduce turnaround times and minimize the need for re-inspections and plan and permit resubmittals. The City Manager is also directed to explore a fee-based expedited inspection pilot to provide faster turnaround times for food and beverage businesses.			X
Growing Our Economy	Continue the three limit-dated business outreach roles within OEDCA to continue supporting commercial corridors like Story Road, East Village, and Alum Rock.	X		
Growing Our Economy	Explore one-time funding for consultant services to create a focused strategy for Eastside investment.	X		
Growing Our Economy	Partner with one or more local business associations to engage major regional employers to assess route demand and attract additional domestic and international service to SJC where feasible.			X
Growing Our Economy	Explore allocating one-time funding for a large civic celebration in San José for July 4th, 2026 and support coordination as needed.	X		
Growing Our Economy	Explore allocating funds to replace the Momotaro statue.	X		
Growing Our Economy	Explore one-time funding for a Major Events Lead within the Office of Economic Development and Cultural Affairs, who will coordinate and plan for the Semiquincentennial and the hosting of the Japanese delegation in 2028. The City Manager is directed to return in Fall 2026 with an initial approach for coordinating these two major events, and to provide semi-annual updates to the Community and Economic Development Committee thereafter. Planning and coordination efforts for the Semiquincentennial should include the establishment of an advisory committee composed of the Mayor's Office and key stakeholders, and staffed by the City Administration.	X		
Building More Housing	Collaborate with the Data Fellow to develop permit transparency tools, such as permitting Gantt Charts and target completion dates.			X
Building More Housing	Create a guarantee for approval of all Ministerial Projects within a 90 days of complete submission, counting only the time the project is within City control. If the time is exceeded, the entitlement for the housing project should be deemed approved.			X
Building More Housing	Align all City imposed housing development impact fees and taxes on a per square foot basis in a way that is effectively revenue neutral.			X
Building More Housing	Return to Council with the updated Development Fee Framework regarding the implementation to defer payment for all housing impact fees and taxes to certificate of occupancy.			X
Building More Housing	Return to City Council for their consideration of the removal of all local building codes.			
Building More Housing	Return to the City Council to clarify that the exemption for housing constructed with "government assistance" in the Municipal Code shall include deed-restricted affordable housing constructed with federal, state, or local funding including tax credits, vouchers, loans, or grants.			X
Building More Housing	Explore the creation of an ADU Homeownership pilot program prioritizing first time homebuyers, using affordable housing dollars earmarked for homeownership programs. This pilot program should leverage public-private partnership opportunities where possible with banks and foundations interested in furthering equitable homeownership strategies.			X

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Building More Housing	Develop a financially viable framework to allow for the demolition of, or removal from the historic inventory of, substandard structures or those whose historic features are no longer evident. Additionally, recognizing that many historic properties contain decades-old unpermitted construction that current owners may have unknowingly inherited, the City Manager is further directed to explore the creation of an amnesty program for unpermitted work on structures listed in the historic resources inventory, provided the buildings meet applicable health and safety standards.	X		X
Building More Housing	Bring to the Council a study session on EIFD's by September 2026 focused on how this mechanism can facilitate investment in jobs, housing and economic revitalization in downtown. The study session should include an overview of EIFD's as authorized in SB 628, how an EIFD could support our focus area goals within Building More Housing and Growing Our Economy, potential revenue and trade-offs associated with issuing bonds with tax increment financing, and trade-offs of different district configuration, such as multi district configurations. Direct the City Manager to coordinate with VTA and present findings as part of the EIFD Study Session. Further policy direction can occur after the study session. The City Manager is also directed to resource the follow up work for continuing to explore implementing an EIFD.	X		X
Building More Housing	Evaluate funding strategies taking into consideration our current development environment and the sensitivity of development projects to existing fee levels, as well as prioritize investing future budget surpluses to bolster citywide planning functions so that we will be better prepared when markets shift. Preserve or minimize negative impacts to PBCE advance planning; evaluate funding needs required to carry out the Envision San José 2040 General Plan four-year review and update, including work necessary to address increased housing capacity and Urban Village Planning; and explore staffing needs to fulfill environmental review for development in light of AB 130 and similar CEQA reforms.		X	X
Other Important Work	Work with the County to assess funding gaps, provide one-time funding, if available, and work with the Mayor's Office Director of Strategic Partnerships to raise philanthropic dollars to augment existing efforts.	X		
Other Important Work	Expand the spay and neuter operations beyond the existing four-day schedule for unowned animals, with the goal of humanely reducing the population of community cats in San José.	X		
Other Important Work	Identify the largest areas of grant funding and contracted service delivery, evaluate current monitoring and performance management practices (both inside and outside of City Hall), and strengthen oversight mechanisms, if needed.			X
Other Important Work	Explore polling potential ballot measure language that would renew and expand our existing parcel tax supporting the San José Public Library.			X
Other Important Work	Explore amending the current number, structure, and operation of our various committees in an effort to streamline and reduce the demand on staff capacity.			X
Other Important Work	Evaluate programs funded on a one-time basis in 2025-2026, in context of the direction included in this message and the Budget Balancing Strategy Guidelines referenced below, for potential continuation in 2026-2027.	X		
Other Important Work	Set aside $2,000,000 in the Essential Services Reserve.	X		

Mayor's Budget Message Priority Area	Referral	Response Category: Included in the 2026-2027 Proposed Budget	Response Category: Addressed in an Upcoming Manager's Budget Addendum	Response Category: Current or Future Referral/ Policy Work
Other Important Work	Deploy the Budget Balancing Strategy Guidelines, as described in Appendix B, to guide her approach to crafting a balanced budget in the year ahead.	X		
Other Important Work	Should be guided by the Budget Stabilization Reserve Framework, as described in Appendix C.	X		
Other Important Work	Determine if existing reporting pathways have gaps and if SJ 311 could serve as the best platform to report issues outside normal operations for the betterment of the overall state of the city. Ensure all City staff understand how to use SJ311 as staff capacity allows.			X
Other Important Work	Evaluate opportunities to improve park restroom conditions through more consistent maintenance standards, robust oversight and management of third-party vendors, and targeted improvements for our well-loved public spaces.			X
Cleaning Up Our Neighborhoods	Explore stronger coordination with Valley Water to streamline abatement efforts along waterways, especially where they interact with City-owned property.			X
Cleaning Up Our Neighborhoods	Evaluate through an MBA the feasibility and cost of a more targeted strategic code enforcement approach focused on limited geographies, priority corridors, or specific categories of chronically non-compliant properties.		X	
Cleaning Up Our Neighborhoods	As part of the ongoing Code Enforcement re-engineering efforts, as feasible and in consideration of budgetary constraints, explore modernizations to improve case resolution timelines and strengthen accountability for chronically non-compliant properties. These improvements should include clearer escalation protocols, expanded use of cost-recovery tools such as administrative penalties and abatement liens, and improved reporting on time-to-resolution for major blight cases.			X
Increasing Community Safety	Identify options to increase community safety in small business corridors.			X
Other Important Work	Preserve Project Hope funding and staff support to sustain and build connections	X		
Other Important Work	To the extent feasible, programs such as the following should be prioritized: Library hours and investments; high-impact youth-serving programs, including programming like R.O.C.K. Afterschool Recreation Camps, Saturday Night Lights, BEST Program Funding, and the Safe Summer Initiative Grant.	X		
Building More Housing	Preserve or minimize negative impacts to PBCE development services in order to meet processing timelines and responsiveness to applicants, the public, and other City departments.	X		X
Reducing Unsheltered Homelessness	Identify staff to explore a demonstration project in San José under this new model, including, if possible, identifying resources to house 200-400 homes for working families. Additionally, this research should examine opportunities for City participation in master leasing to offer low-cost rental options to City employees without significant upfront cost to the City.			x
Building More Housing	Explore joint research with Working Partnerships USA on how to develop a governance structure and financing plan with the other interested Santa Clara County jurisdictions to support the development of affordable, union-built homes across Santa Clara County.			x
Increasing Community Safety	Sustain and expand traffic safety investments, to the extent possible, including quick-build and other low-cost safety improvements along Priority Safety Corridors identified in the Vision Zero Action Plan.			x
Other Important Work	Return to with a policy framework governing the use of future SJCE excess reserves, prioritizing relief for residents and small businesses, where fiscally responsible, rather than for the City's largest energy users.			X

Status of City Auditor Recommendations with Funding Impact

2026-2027 Proposed Operating Budget

There are audit recommendations that are addressed in actions included in the 2026-2027 Proposed Budget. The table below provides a summary of those audit recommendations. While this Attachment focuses on audit recommendations with budget actions in 2026-2027, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2026-2027 Proposed Budget. The City Auditor's Office reports on all outstanding audit recommendations on a semi-annual basis. These status reports, along with an interactive dashboard, can be found on the Auditor's Office website at: https://www.sanjoseca.gov/your-government/appointees/city-auditor/audit-recommendations.

Department	Item	Remarks
Environmental Services	Sewer Rates: Reviewing Rate Model Assumptions and Developing Reserve Policies Would Improve the Rate-Setting Process (Report 26-01 Issued 02/02/2026, #03)	Adds $500,000 in one-time funding and $75,000 in ongoing funding in the Sewer Service and Use Charge Fund for a sanitary sewer cost-of-service study and implementation of utility rate modeling software. The $500,000 one-time funding will provide for consultant services to conduct an independent review of cost-of-service assumptions used in San José sanitary sewer rate setting. The $75,000 in ongoing funding will provide for commissioning, customization, and user licensing of sanitary sewer utility rate modeling software. This proposal responds to City Auditor recommendations regarding the implementation of rate modeling software and evaluation of whether cost allocation methods could be improved through the use of an external consultant. Implementing a cloud-based rate modeling system will enable more efficient real-time analysis, reduce manual processes, and improve the accuracy and defensibility of sewer rate development for residents, businesses, industrial dischargers, and tributary agencies. More detail on this action can be found in the City Departments/Council Appointees section of the 2026-2027 Proposed Operating Budget for the Environmental Services Department.

Status of City Auditor Recommendations with Funding Impact

2026-2027 Proposed Operating Budget

Department	Item	Remarks
Parks, Recreation and Neighborhood Services	Animal Care and Services: Addressing Capacity Constraints and Updating Shelter Protocols Will Help Improve Animal Outcomes (Report 24-06 Issued 11/07/2024, #09)	Adds ongoing personal services funding of $106,500 and non-personal/equipment funding of $182,500 to support expanded spay and neuter services for the in-house Trap, Neuter, and Release (TNR) program and contracted veterinary services. Of the $289,000, approximately $189,000 will support expanding in-house TNR surgeries by one additional weekday. The remaining $100,000 will support increasing contracted veterinary services for spay and neuter surgeries outside the TNR program, such as owner surrender, foster, stray animals, or other surgeries to prepare animals for adoption. This funding will expand contracted veterinary services and will support up to 600 additional surgeries, dependent on contractor scheduling availability and transportation staffing capacity. Expanding both the TNR program and contracted spay/neuter services aligns and strengthens already implemented recommendations in the City Auditor's Report 24-06 - Animal Care and Services: Addressing Capacity Constraints and Updating Shelter Protocols Will Help Improve Animal Outcomes. More detail on this action can be found in the City Departments/Council Appointees section of the 2026-2027 Proposed Operating Budget for the Parks, Recreation and Neighborhood Services Department.

Status of City Auditor Recommendations with Funding Impact

2026-2027 Proposed Operating Budget

Department	Item	Remarks
Planning, Building, and Code Enforcement	Environmental Review for New Developments: Better Project Management and Reviewing Resources Can Improve the CEQA Process (Report 22-02 Issued 03/21/2022, #05)	Shifts funding for 0.6 Planner IV position from Planning Development Fee Program Fund to the General Fund on a one-time basis through June 30, 2027, to continue work that streamlines the City's environmental review process. The position will continue implementing recommendations from 2022 City Auditor report on the City's environmental review process (Audit Report 22-02), including completion of the environmental review handbook, development of standard permit conditions, and improvements to environmental review tracking within the AMANDA system. More detail on this action can be found in the City Departments/Council Appointees section of the 2026-2027 Proposed Operating Budget for the Planning, Building, and Code Enforcement Department.

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Attachment E

Contingency Plan

On June 2, 2026, San José voters will consider Measure A, which would increase the Transient Occupancy Tax from 10% to 12%. If approved by a majority of voters, and implemented by October 1, 2026, Measure A is forecasted to increase General Fund revenues by $6.75 million in 2026-2027 and $9.50 million in 2027-2028. As directed by City Council-approved Mayor's March Budget Message for Fiscal Year 2026-2027, the Proposed Budget assumes passage of Measure A as a strategy to help resolve the forecasted ongoing General Fund shortfall, and, also as directed, the Administration has developed a Contingency Plan if the measure is not passed by the voters. The spending reductions included in the Contingency Plan would be brought forward later in June should Measure A fail, if revenue projections are projected to be significantly lower than previously anticipated, or if the City has to make significant unplanned expenditures.

As the City Council directed the preservation of funding for City Council Focus Areas and the day-to-day core services of the City to the extent feasible, especially those that support marginalized communities, the Administration worked hard to keep significant reductions to such community-facing services out of the General Fund Balancing Strategy. However, if Measure A does not pass, or if other unexpected revenue losses or expenditure needs occur later in the budget process, the City will not be able to achieve an ongoing balanced budget without the reductions identified below, which consist of core community and public safety services, as well as important internal support and leadership capacity that facilitates City service delivery.

The table below summarizes the Contingency Plan budget reductions, followed by additional information on the anticipated service impacts of each reduction.

Contingency Plan Summary

Reduction Proposal Title	Department	2026-2027 FTE	2026-2027 Amount ($)	Ongoing FTE	Ongoing Amount ($)
Community Services					
Sunday Library Branch Hours Elimination	Library	(25.70)	(2,315,018)	(25.70)	(2,441,173)
San José Learns Reduction	Library	-	(500,000)	-	(500,000)
Safe Summer Initiative Grant Program Elimination	PRNS	-	-	-	(599,588)
Aquatics and Swimming Program Reduction	PRNS	-	-	(8.11)	(474,155)
Regional Parks Monday Closure and Maintenance Staffing	PRNS	(5.28)	(333,978)	(5.28)	(384,762)
BEST Grant Program Reduction	PRNS	-	(200,000)	-	(200,000)
Tree & Sidewalk Hardship Grants Elimination	Transportation	-	-	-	(513,000)
Neighborhood Services Sub-Total		**(30.98)**	**(3,348,996)**	**(39.09)**	**(5,112,678)**
Public Safety					
Downtown Foot Patrol Elimination	Police	(4.00)	(1,090,320)	(4.00)	(1,172,228)
Bureau of Field Operations Sworn Overtime Reduction	Police	-	(750,000)	-	(1,000,000)
Automated License Plate Reader Cameras Reduction	Police	-	(420,000)	-	(840,000)
Public Safety Sub-Total		**(4.00)**	**(2,260,320)**	**(4.00)**	**(3,012,228)**
Strategic Support, Appointees, and Mayor/Council					
Information Technology Project Management Staffing	IT	(2.00)	(486,098)	(2.00)	(530,289)
Employment and Hiring Staffing	HR	(1.00)	(157,254)	(1.00)	(171,550)
City Attorney Staffing	Attorney	(1.00)	(236,727)	(1.00)	(258,248)
City Auditor Staffing	Auditor	-	-	(1.00)	(142,324)
City Clerk Staffing	Clerk	(1.00)	(132,855)	(1.00)	(144,933)
Mayor/Council	Mayor/Council	-	(127,750)	-	(127,750)
Strategic Support, Appointees, and Mayor/Council Sub-Total		**(5.00)**	**(1,140,684)**	**(6.00)**	**(1,375,094)**
Total Reduction		**(39.98)**	**(6,750,000)**	**(49.09)**	**(9,500,000)**

Contingency Plan

Community Services

Sunday Library Branch Hours Elimination (Library)
This action eliminates 25.70 positions effective August 1, 2026 and reduces ongoing funding by $2.3 million in 2026-2027 and $2.4 million ongoing by eliminating Sunday hours, resulting in a collective reduction of 80 hours per week at the following 16 branches: Alviso, Bascom, Berryessa, Biblioteca Latinoamericana, Cambrian, Dr. Roberto Cruz Alum Rock, East SJ Carnegie, Edenvale, Educational Park, Evergreen, Hillview, Joyce Ellington, Seven Trees, Tully, Vineland, and West Valley.

San José Learns Reduction (Library)
This action decreases the ongoing San José Learns grant funding by $500,000, from $1.0 million to $500,000. The program provides City matching funds to school districts for tutoring programs serving kindergarten through third grade students who are at risk of not meeting reading and math standards. With the reduced funding level, the program is expected to serve approximately 13 school sites for 886 students annually, a reduction of 50% compared to the current funding level. Participants primarily include students who are English learners, students receiving free and reduced-price lunch, and other historically underserved student groups.

Safe Summer Initiative Grant Program Elimination (Effective 2027-2028, PRNS)
This action eliminates the Safe Summer Initiative Grant Program, which currently provides $449,588 in grant funding to community-based organizations delivering summer youth programs for at-risk and high-risk youth in alignment with the goals of the San José Youth Empowerment Alliance. In addition, the program provides $150,000 in scholarship funding to ensure youth in opportunity neighborhoods served by Youth Intervention Services programs have access to positive summer recreational activities. The ongoing elimination of this program would reduce the availability of structured summer programming and scholarship support for over 2,000 youth beginning with the 2027 summer season.

Aquatics and Swimming Program Reduction (Effective 2027-2028, PRNS)
This action discontinues Summer Swim and Recreational Swim at Mayfair and Ryland Pools, shifting to a contractor management model at these pools, and discontinues year-round Lap Swim at the Camden Pool, for a savings of $474,000 ongoing and eliminating 8.11 positions effective July 1, 2027. Currently, the City operates four pools at Camden, Fair, Mayfair, and Rotary Ryland. These programs include summer swim lessons, recreational swim, with year-round lap swimming only at Camden. Two additional City pools, Alviso and Biebrach, are managed by a contractor. The reductions are expected to decrease registrations at Mayfair by approximately 318 for swim lessons and 4,190 for recreational swim drop-ins, at Ryland by approximately 204 for swim lessons and 2,736 for recreational swim drop-ins, and at Camden by 579 punch passes for year-round lap swimming.

Regional Parks Monday Closure and Maintenance Staffing (PRNS)
This action eliminates 5.28 Maintenance Assistant PT positions and closes all regional parks on Mondays for a savings of $383,000 ongoing. This reduction also results in each park receiving 75 fewer hours of maintenance annually.

BEST Program Reduction (PRNS)
This action reduces Bringing Everyone's Strength Together (BEST) Grant funding to community-based organizations by $200,000, or approximately 7%, which serves youth and young adults ages 12-25 who experience high-risk factors for violence. A total budget of $2.8 million would remain for this program.

Contingency Plan

Community Services (Cont'd.)

Tree and Sidewalk Hardship Grants Elimination (Effective 2027-2028, Transportation)
This action eliminates funding of $513,000 ongoing for Tree and Sidewalk Hardship Grants that provide varying levels of support to low and moderate-income residents for the trimming of hazardous trees or sidewalk repairs, as required by the City.

Public Safety

Downtown Foot Patrol Elimination (Police)
This action eliminates the 4.0 remaining vacant Police Officer positions supporting the foot patrol program in the Central/Downtown Division for a savings of $1.1 million ongoing. With the vacant positions currently backfilled with overtime shifts, this walking beat program is designed to directly impact communities beyond the typical enforcement model, with the goal of building strong neighborhood relationships through consistent interaction with communities.

Bureau of Field Operations Sworn Overtime Reduction (Police)
This action reduces the current recommendation in the Proposed Budget to begin right-sizing the overtime budget for sworn staffing over a multi-year period, by $750,000 for 2026-2027 and $1.0 million ongoing, constraining funding for staffing costs related to demonstrations and large-scale community events and capacity to respond to emergencies, accidents, or criminal activity.

Automated License Plate Reader Cameras Reduction (Police)
This action reduces funding of $420,000 in 2026-2027 and $840,000 ongoing by removing the recommendation included in the Proposed Budget to continue funding for 300 Automated License Plate Readers (ALPRs) whose grant funding source expires December 31, 2026. ALPRs are used as an investigative tool to identify suspect vehicles, link crime series, and provide real-time situational awareness during active incidents.

Strategic Support, Appointees, and Mayor/Council

Information Technology Project Management Staffing (Information Technology)
This action eliminates 2.0 filled Enterprise Technology Supervising Analyst positions, effective August 1, 2026 for a savings of $486,000 in 2026-2027 and $530,000 ongoing, that manage technology products and projects using standard project management methodologies, implement and operationalize software platforms, manage successful product releases, vendors and contracts, and create effective product support structures. Key projects in the City's Focus Areas would need to be reprioritized amongst remaining staff and other projects deferred to accommodate the staffing loss.

Employment and Hiring Staffing (Human Resources)
This action eliminates 1.0 filled Analyst position, effective August 1, 2026 for a savings of $157,000 in 2026-2027 and $172,000 ongoing, in the Employment Division that serves as the liaison between Human Resources and departmental contacts in City Auditor, Environmental Services, Fire, Independent Police Auditor, and Housing Departments, and provides beginning-to-end recruitment services. Elimination would require workload redistribution and reduce the Department's recruitment service capacity.

Contingency Plan

Strategic Support, Appointees, and Mayor/Council (Cont'd.)

City Attorney Staffing (City Attorney)
This action eliminates 1.0 filled Senior Deputy City Attorney III position, effective August 1, 2026 for a savings of $237,000 in 2026-2027 and $258,000 ongoing, that provides legal counsel and represents the City in appellate matters to either defend decisions favorable to the City or, when directed by the Council, to appeal matters to protect and preserve the City's legal interests and resources. This action would likely result in the engagement of outside counsel for some cases at a higher cost to ensure the City has adequate representation.

City Auditor Staffing (Effective 2027-2028, City Auditor)
This action eliminates 1.0 filled Program Performance Auditor I/II position, effective July 1, 2027 for an ongoing savings of $142,000. This position conducts audits annually in key areas including City Council approved Focus Areas, critical City Service Area services and key programs, and Foundational Strategic Support Focus Areas. Elimination would result in fewer audits per year and fewer recommendations to improve operations, enhance equity, or reduce risks to the City, as well as potential foregone monetary benefits. It would also reduce the frequency of the Office's Status of Open Audit Recommendation reporting and impact the scope of work around the Annual Report on City Services.

City Clerk Staffing (City Clerk)
This action eliminates 1.0 filled Legislative Secretary position, effective August 1, 2026 for a savings of $133,000 in 2026-2027 and $145,000 ongoing, that supports City Council committee meetings. Elimination of this position would impede progress in reducing the backlog of legislative minutes, and slow production timelines.

Mayor/Council (Mayor and City Council)
This action decreases the budgets for the Office of the Mayor and each City Council Office by an additional 1% – $46,000 for the Office of the Mayor and $8,200 for each Council District Office for a total ongoing reduction of $128,000 – on top of the 3% reduction currently included in the Proposed Operating Budget. This reduction could reduce resources for strategic partnerships, communications, and policy development; could require the scaling back or potential cancellation of some community events and outreach projects; and could impact funding for non-personal/equipment expenses, including supplies and materials, subscriptions, and professional services.

SAN JOSE AT A GLANCE

STRATEGIC LOCATION

Situated between the Diablo and Santa Cruz mountain ranges, San José encompasses approximately 181 square miles at the southern tip of the San Francisco Bay. San José's central location between San Francisco to the north and Monterey/Carmel to the south makes the "Capital of Silicon Valley" a gateway to adventures throughout California.

With a population close to one million, San José isthe 12th largest city in the nation.[1] Roughly 1.9 million people reside in Santa Clara County, of which San José is the county seat.

HISTORY



In November 1777, El Pueblo San José de Guadalupe became the first civil settlement in California. The settlement was occupied mainly by the Ohlone Indians along the Guadalupe River and Spanish settlers. At that time, San José was a farming community cultivating a number of different crops, which served the military communities in San Francisco and Monterey. In 1850, San José became the first capital of California, but this honor remained for only two years due to flooding in downtown and the lack of hotel capacity. However, over the next century, San José experienced one of the most significant economic changes in California history, transforming from an agricultural community to what is known today as the "Capital of Silicon Valley." In 2027, San José will celebrate its semiquincentennial.

QUALITY OF LIFE

San José's quality of life is unsurpassed. With an average of 300 days of sunshine per year and temperature averages varying from 50 degrees in January to 70 degrees in July, those living and working in San José can enjoy the city's many attractions, cultural and performing arts, sports and recreation opportunities, and year-round festivals and celebrations. San José was rated by *Forbes* in 2024 as the number one location for small businesses in the United States and the number one California city for quality of life by U.S. News & World News Report in 2024.

CULTURAL AND ETHNIC DIVERSITY

Diversity is a hallmark of San José, a city proud of the cultural and ethnic diversity of its population and workforce and the rich cultural identity of its many neighborhoods. City residents speak more than 50 different languages. A full 41% of San José residentswere born in a country outside the U.S., and over 58% of residents speak a language other than English at home.[2] According to the United States Census Bureau as of July 2025, San José residents are 39.5% Asian, 30.8% Hispanic, 25.1% White, 2.9% African American, and 1.7% other/two or more races.

[1] Source: U.S. Census Bureau, Population Division, Annual Estimates of the Resident Population for Incorporated Places of 20,000 or More, Ranked by July 1, 2024 Population

[2] Source: U.S. Census Bureau, QuickFacts: California; San Jose city, derived from 2019-2023 American Community Survey

SAN JOSE AT A GLANCE

CULTURAL AND ETHNIC DIVERSITY



Japantown is a popular tourist stop and a cornerstone neighborhood full of history and tradition. Little Saigon is a haven of Vietnamese-owned and operated businesses where customers and tourists can experience unique shopping experiences and diverse restaurants. Biblioteca Latinoamericana, one of the City's innovative library branches, boasts one of the largest collections of Spanish language materials in northern California. The city hosts many cultural festivals and local business associations are active in the community.

EDUCATION



With more than 300 public and private schools in 21 school districts in San José, families have a range of educational choices. The County Office of Education provides a support system for students, parents, school districts, community agencies, and businesses. Innovative programs in local school districts include a nationally acclaimed performing arts magnet and concentrations in aerospace, international studies, math, science, and radio and television. The Metro Education District focuses entirely on career technical education and adult education. Higher education facilities in and around San José are distinguished. San José State University (SJSU) is California's oldest public university, founded in 1857. It offers strong programs in business, information technology, journalism, mass communications, and engineering, and was ranked as the #3 top public school, the #4 regional university in the west, and the #11 best value school in the country in 2025 according to U.S. News & World Report. In addition, the collaboration between SJSU and the City of San José to construct and operate the Dr. Martin Luther King, Jr. Library (King Library), the first joint City/University library, earned the prestigious national title of Gale/Library Journal 2004 Library of the Year. The King Library also received the National Medal for Museum and Library Service from the Institute of Museum and Library Services in 2011.

Seven community colleges serve the County of Santa Clara, including two in San José – San José City College and Evergreen Valley College – which are part of the San José Evergreen Community College District. The two colleges educate more than 20,000 students each semester so that they can transfer to universities, enter the workforce, or embark on a path of lifelong learning. They offer a variety of Associate Degree and work-ready certificate programs. The district's Community College Center for Economic Mobility is a training partner that works with many corporations to develop and maintain a vital South Bay economy. The Center for Employment Training also fill the need for vocationalskills and industry job training.

San José also benefits from its proximity to major research universities and institutions. Stanford University, University of California at Berkeley, Santa Clara University, University of California at San Francisco, and University of California Santa Cruz are within a 45-minute to one-hour drive. These universities produce discoveries that drive innovation and startup creation.

SAN JOSE AT A GLANCE

ECONOMIC DIVERSITY

Perhaps more important than rankings and statistics, the term "Capital of Silicon Valley" describes not only a city and geographic region, but also a culture, an entrepreneurial energy, a spirit of innovation, and a symbol of opportunity. Investments in new industries such as electric vehicles, robotics, artificial intelligence (AI), and data centers are occurring in San José. San José's well-established semiconductor industry continues to thrive with advancements in chip design and manufacturing. Apple and Google recently opened new office campus locations in San José.

San José continues to attract talent, with 47% of all residents aged over 25 educated to a bachelor's degree level or above. While San José and the greater Silicon Valley are largely associated with the technology industry, the city's business profile is diverse and healthy with over 1,000 new businesses choosing to start here every year. Today, San José is home to over 60,000 businesses employing a total of 415,000 workers in sectors ranging from advanced manufacturing to software[3] retail, industrial, professional, and service busineses. Household income has doubled in the past ten years and today San José is the largest generator of sales tax in the Bay Area.

INTERNATIONAL

On the international front, San José attracts significant foreign investment from throughout the globe, particularly in information technology and industrial sectors. San José is also a leading city in exporting goods and services. The City is the grantee of Foreign Trade Zone 18, which was established in 1974 and is administered by the Office of Economic Development and Cultural Affairs. This federal program enhances the global competitiveness of companies operating in the United States. A Foreign Trade Zone is a site that allows for federal duties to be delayed, reduced, or eliminated, which results in operational efficiencies and reduced costs for businesses involved with imports and exports.

TOURISM



Residents and visitors enjoy the city's many attractions year-round: museums, parks, sports, multicultural festivals, theme parks, shopping, and, of course, great hotels and restaurants. Attractions include the Tech Interactive, San José Museum of Art, CaliBunga Waterpark, Happy Hollow Park & Zoo, Japanese Friendship Garden, Winchester Mystery House, and Children's Discovery Museum of San José.

SPORTS

Several professional sports teams call San José home: the Sharks, National Hockey League; the Earthquakes, Major League Soccer; the Barracuda, Minor League Hockey; San José Giants, Minor League Baseball; and Bay FC, San José's new National Women's Soccer League team that plays at Paypal Park. The city also has a state-of-the-art community ice center, golf courses, and parklands, including over 64 miles of beautiful walking and biking trails.

[3] City of San José, City Manager's Office of Economic Development and Cultural Affairs

SAN JOSE AT A GLANCE

TRANSPORTATION
San José/Silicon Valley has the following mass transportation options:

- The San José Mineta International Airport (SJC), located within minutes of downtown, served 11.4 million passengers in fiscal year 2024-2025 and estimates to serve 10.2 million passengers in fiscal year 2025-2026. As of June 30, 2025, there were 10 major passenger airlines operating service to 40 nonstop domestic and international destinations at SJC.
- The Santa Clara Valley Transportation Authority (VTA) carried an estimated total of 26.9 million passenger trips in 2025 on its bus and light rail system.



- Caltrain, a commuter rail service with 31 stations, runs from Gilroy through San José and north to San Francisco. The average weekday ridership reached a post-pandemic high of 41,968 in March 2026, a 30% increase from 32,420 in March 2025 and weekend ridership increasing about 40%, as riders continue to return to the Caltrain system for increased work and leisure travel. Caltrain introduced a new service schedule in September 2024 following the completion of the Electrification Project, which modernized the 160-year-old rail corridor and replaced the diesel trains with high-performance electric trains, offering faster transit times and more frequent service.
- Bay Area Rapid Transit (BART) and California High-Speed Rail both have planned routes to Diridon Station in San José. Phase II of BART's six-mile extension from Berryessa Station to Santa Clara Station was environmentally approved on April 5, 2018. Construction began in summer 2024 and is expected to be completed by 2037. The Project will include three below ground stations (28th Street/Little Portugal Station, Downtown San José Station, and Diridon Station), one at-grade station (Santa Clara Station), and a maintenance facility yard by PayPal Park. The California High-Speed Rail project (San José to Merced segment) was environmentally approved in April 2022. Final design and construction will begin when funding becomes available.

SAN JOSE AT A GLANCE

Basic City Facts

Founded: 1777; California's first civilian settlement

Incorporated: March 27, 1850; California's first incorporated City, and site of the first State capital

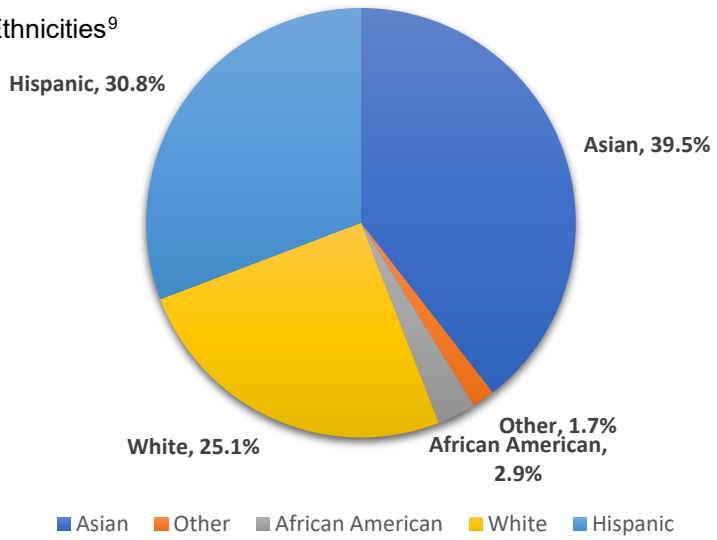
General Data

Population[4]	979,415
Registered Voters[5]	550,619
Median Household Income[6]	$146,427
Miles of Streets	2,519
Miles of Alleys	2.58
Area of City (square miles)	180.7
Land Use:[7]	
Single-Family	27%
Two-Family	1%
Multi-Family	4%
Mixed-Use[8]	2%
Mobile Home	1%
Commercial	3%
Industrial	10%
Public/Quasi-Public	2%
Airports	1%
Schools	2%
Parks/Open Space	22%
Roadways	21%
Downtown	0.25%
Other	2%



Demographics

Breakdown of Race/Ethnicities[9]



[4] State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State, January 1, 2025 (Released May 2025)

[5] Santa Clara County Registrar of Voters as of July 24, 2025

[6] U.S. Census Bureau, American Community Survey (ACS), 2020-2024

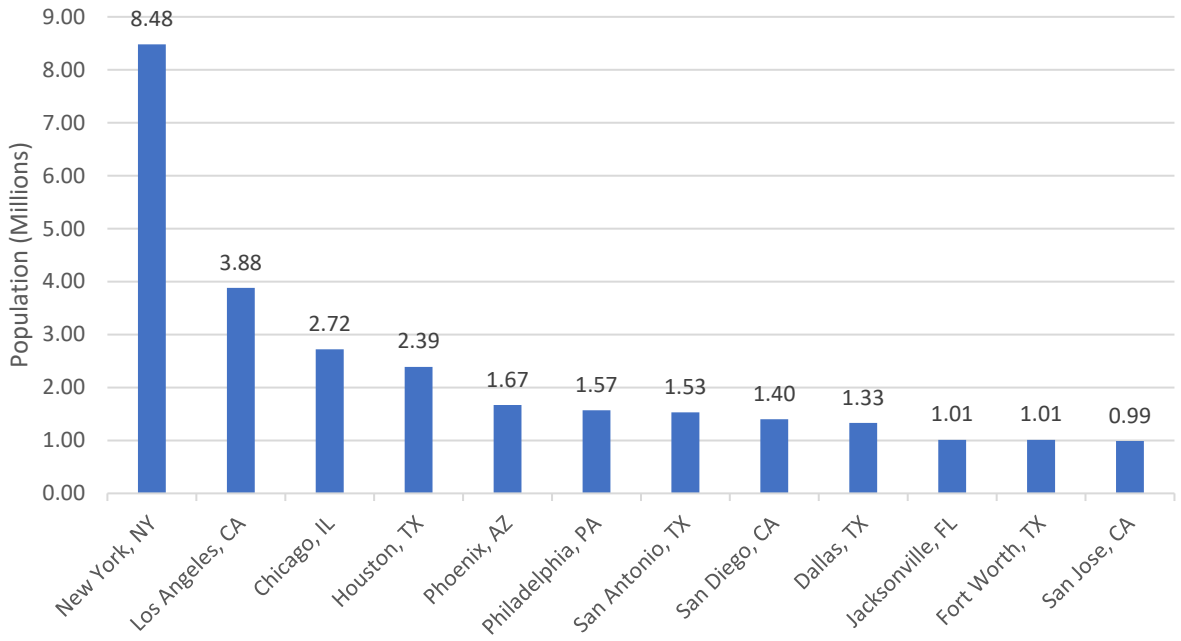
[7] Area calculated based on existing zoning designations, where applicable.

[8] High Density Multi-Family Residential with Resdiential-Commercial Mixed Use

[9] U.S. Census Bureau, Population Estimates Program (PEP) as of July 1, 2025

SAN JOSE AT A GLANCE

Population of Largest U.S. Cities Compared to San José*

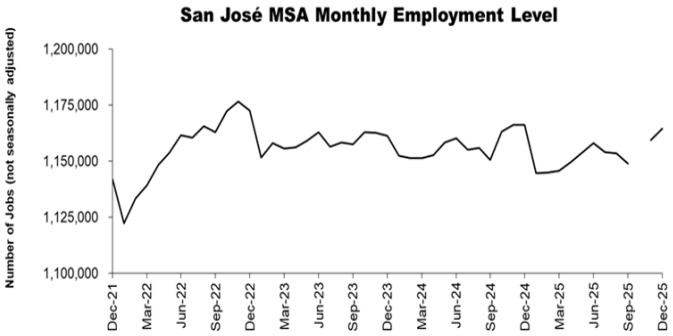


U.S. Source: Census Bureau, Population Division, Annual Estimates of the Resident Population for Incorporated Places of 20,000 or More, Ranked by July 1, 2024 Population (Released May 2025)
* San Jose is ranked the 12th largest U.S. City as of July 1, 2024, after Fort Worth, Texas with 0.99 million people

Major Employers[10]

Company	Number of Employees
County of Santa Clara	23,423
Cisco Systems	7,550
City of José**	6,924
Adobe Systems, Inc.	5,189
TikTok	4,948
San José State University	4,026
Paypal, Inc.	2,749
San José School District	2,690
Super Micro Computer	2,681
Broadcom	2,676
Kaiser Permanente	2,605
Target Stores	2,459
eBay	2,395
Wester Digital	2,245
IBM	1,952
Good Samaritan Hospital	1,854
AMD (previously Xilinx)	1,777
Eastside Union School District	1,729
Safeway	1,601
Costco	1,516
Cadence Design Systems	1,300

San José Employment - MSA[11]



Due to the United States federal government shutdown that occurred from October 1, 2025 to November 12, 2025, the October 2025 employment data is unavailable.

[10] Source: City of San José, City Manager's Office of Economic Development and Cultural Affairs Estimates as of April 2025. The information was gathered on an informal basis from sources believed to be reliable. The City can provide no assurances as to the accuracy or completeness of the information shown.
[11] Source: U.S. Census Bureau, California Employment Development Department
** Full-Tme Equivalents, 2026-2027 Proposed Operating Budget

SAN JOSE AT A GLANCE

Airport*



Approx. Acres	1,124
Terminals	2
Runways	2
Hours of Operation	24
Flights in 2025-2026 (estimated):	
Commercial Airline Operations	94,910
Cargo Commercial Airlines Operations	1,059
General Aviation	56,251
Military Flights	162
Landings per Day in 2025-2026 (estimated):	
Commercial	130
General Aviation	77
Number of Passengers in 2025-2026 (estimated):	10.2 million
Public Parking Spaces:	
Hourly Parking/Daily Parking	2,968
Economy Parking	2,495
Services:	
Passenger Airlines	8
All-Cargo Airlines	2
General Aviation Based Aircraft	154

Environment and Utilities*

Miles of Municipal Sanitary Sewer Mains	2,042
Number of Water Pollution Control Plants[12]	1
Number of Square Miles the Sanitary Sewer System Spans	180.7
Gallons of Wastewater the Plant has the Capacity to Treat Per Day	167 Million
Gallons of Wastewater Treated Per Day	104.4 Million
Number of Municipal Water Systems[13]	1
Water Services in Municipal Water Service Area	27,000
Miles of Water Mains	350
Gallons of Potable Municipal Water Delivered	5.1 Billion
Gallons of Recycled Municipal Water Delivered	1.4 Billion

2025-2026 Recycled Materials:

Tons of Paper	35,301.1
Tons of Glass	20,374.1
Tons of Cardboard	11,758.8
Tons of Metals	3,751.1
Tons of Plastics	5,418.3
Tons of Other Materials	848.2
Total Tons of Recyclables	77,451.6



* Current Counts or 2025-2026 Year-End Estimates

[12] Serving the San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno areas.

[13] Serving the Evergreen, North San José, Alviso, Edenvale, and Coyote Valley areas. Other areas served by private water companies.

SAN JOSE AT A GLANCE

Environment and Utilities*

2025-2026 Recycled Materials	
Multi-Family Dwelling Tons Composted	41,204
Single Family Dwelling Tons Composted	86,626.2
Tons of Yard Trimmings	131,625.9
Tons of Used Motor Oil	163.1
Tons of Used Oil Filters	4.3

Fire*

Fire Stations	34
Companies	44
Rescue Medics	3
Equipment	
Engines:	
Front Line	33
Relief	18
Trucks:	
Front Line	9
Relief	5
Brush Patrol Apparatus:	
Front Line	7
Relief	6
Aircraft Rescue and Firefighting Apparatus:	
Front Line	2
Relief	1
Urban Search/Rescue and Hazmat Apparatus:	
Front Line	3
Auxiliary Apparatus	95
Emergency Medical Calls	70,000
Fire Safety Code Inspections	19,513
Fires	4,700



Libraries*

Number of Outlets:	
Main Library	1
Branches	24
Physical Items Checked Out (Circulation)	5,360,996
Electronic Resources Checked Out (Circulation)	2,000,000
Books (Inventory)	1,500,000
Audio Visual Materials (Inventory)	225,000
Other Items (Inventory)	78,000



Parking*

Parking Meters	2,466
City Parking Lots (1,057 total spaces)	6
City Parking Garages (6,162 total spaces)	8

*Current Counts or 2025-2026 Year-End Estimates

SAN JOSE AT A GLANCE

Parks, Recreation and Neighborhood Services*

Park Acreage	3,636
Walking and Biking Trails (miles)	66.9
Park Sites	224
Basketball Hoops	169
Bike Parks	2
Bocce Ball Courts	22
Exercise Courses	48
Handball Courts	11
Horseshoe Pits	52
Lawn Bowling Greens	1
Multi-Use Fields	110
Pickleball Courts	62
Skate Parks	7
Swimming Pools	6
Tennis Courts	84
Volleyball Courts	18
Playgrounds	303
City-Operated Community Centers	12
Gymnasiums	8
Fitness Rooms	7
Youth Centers	5
Neighborhood Center Partner Program Operated Sites	24
Golf Courses	3
Total Participation in Recreation Programs at Community Centers	594,584
Total Participation in Recreation Programs at Neighborhood Center Partners Program (formerly Re-Use Centers)	14,234



Police*

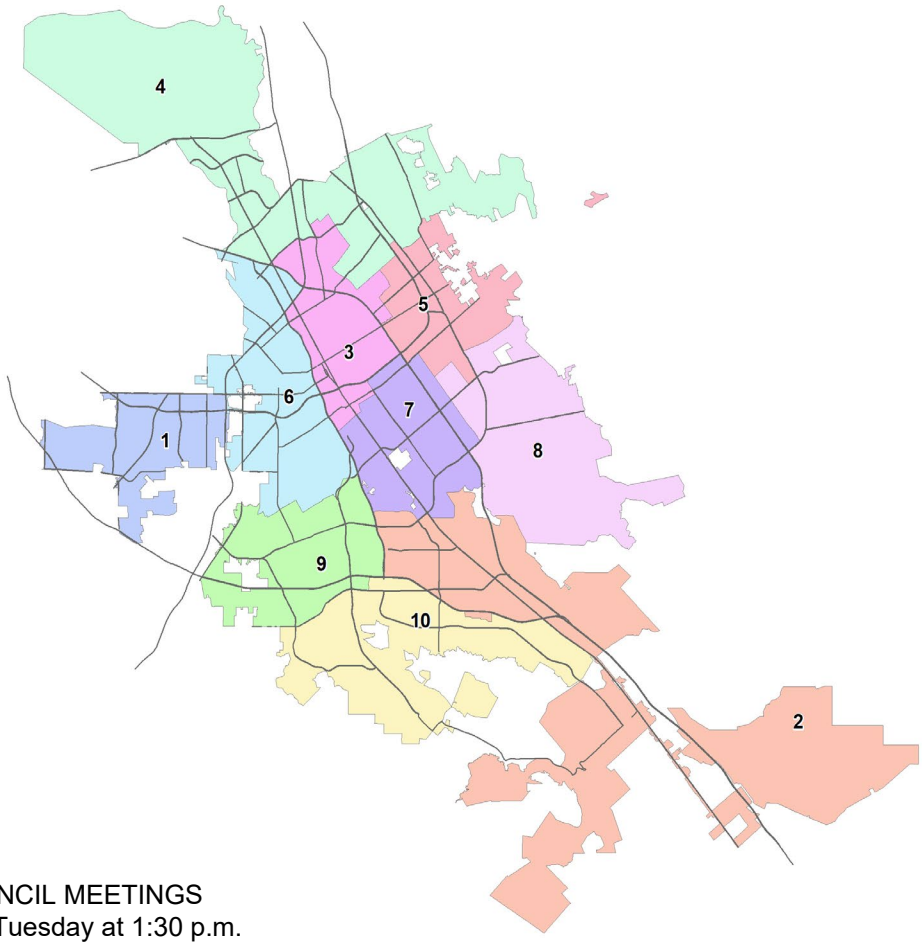
Police Stations	1
Police Marked Vehicles	329
Motorcycles	51
Dogs[14]	16
Aircraft:	
Helicopter	1
Fixed Wing	1
Number of Emergency Calls Received	575,000
Number of Non-Emergency Calls Received	420,000
Cases Assigned Per Year	30,500



[14] Out of 16 dogs, two (2) are designated as therapy dogs — one assigned to the Communications Unit and the other to the Wellness & Employee Support Team (WEST).

ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
Matt Mahan	**Mayor**	**535-4800**	**mayoremail@sanjoseca.gov**
Rosemary Kamei	1	535-4901	district1@sanjoseca.gov
Pamela Campos	2	535-4902	district2@sanjoseca.gov
Anthony Tordillos	3	535-4903	district3@sanjoseca.gov
David Cohen	4	535-4904	district4@sanjoseca.gov
Peter Ortiz	5	535-4905	district5@sanjoseca.gov
Michael Mulcahy	6	535-4906	district6@sanjoseca.gov
Bien Doan	7	535-4907	district7@sanjoseca.gov
Domingo Candelas	8	535-4908	district8@sanjoseca.gov
Pam Foley	9	535-4909	district9@sanjoseca.gov
George Casey	10	535-4910	district10@sanjoseca.gov



CITY COUNCIL MEETINGS

- Every Tuesday at 1:30 p.m.
- Evening meetings at 6:00 p.m. in addition to the afternoon meeting twice a month, as listed in the approved City Council Meeting Schedule.
- Closed sessions every Tuesday at 9:30 a.m.
- No meetings are held in July when the City Council is in recess.

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Following is a list of significant State and local voter-approved initiatives.

2020s Initiatives

Measure I was placed on the ballot by the City Council. It amended the City Charter to (1) add the City's Ethics and Elections Commission (Board of Fair Campaign and Political Practices) to the charter; (2) remove requirements that members of the Planning, Civil Service, and Salary Setting Commissions be electors and/or citizens; (3) remove gender-specific language; and (4) require the City Council to adopt equity values, standards and assessments in making certain decisions. Measure I was approved by the voters in November 2022.

Measure B was placed on the ballot by the City Council. It amended the City Charter to (1) move the mayoral election from the gubernatorial election cycle to the presidential election cycle beginning in 2024 and (2) to limit the person elected to the Office of the Mayor in 2022 to a two-year term with the option to run for the Office of Mayor and serve as such for two additional successive four-year terms. Measure B was approved by the voters in June 2022.

Measure G was placed on the ballot by the City Council. It amended the San José City Charter to expand the Independent Police Auditor's oversight, including review of officer-involved shootings and use of force incidents causing death or great bodily injury, review of department-initiated investigations against officers, and other technical amendments; increase the Planning Commission to 11 members with the City Council appointing one member from each Council District and one "at-large" member; and allow the City Council to establish timelines for redistricting when Census results are late. Measure G was approved by the voters in November 2020.

Measure H, Cardroom Tax, was placed on the ballot by the City Council. It amended the San José Municipal Code to increase the cardroom tax on the gross revenues of cardrooms, add a new tax on the gross revenues of third-party providers of proposition player services, and increase the number of card tables. The increased tax imposed on the cardrooms and the new tax imposed on third-party providers of proposition player services are general taxes. The revenues received from these taxes may be used for general governmental purposes. Measure H was approved by the voters in November 2020.

Measure E, Real Property Transfer Tax, was placed on the ballot by the City Council. It amended the San José Municipal Code to enact a tax on the transfer of any real property valued over $2 million, subject to a CPI adjustment every five years. While the revenue is deposited into the General Fund and may be used for any City purpose, City Council Policy 1-18 allocates this funding for affordable housing, homelessness prevention, and homeless support. Measure E was approved by the voters in March 2020.

2010s Initiatives

Measure S, Construction Contract Procurement Modernization, was placed on the ballot by the City Council. It allowed the City to amend the City Charter to modify construction contract procurement and the bidding process. Measure S was approved by the voters in November 2018.

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Measure T, Disaster Preparedness, Public Safety, and Infrastructure Bond, was placed on the ballot by the City Council. It authorized the issuance of up to $650 million in general obligation bonds to upgrade 9-1-1 communications, police, fire, and paramedics facilities to improve emergency disaster response; repair deteriorating bridges vulnerable to earthquakes; repave streets and potholes in the worst condition; prevent flooding and water quality contamination; and repair critical infrastructure. Measure T was approved by the voters in November 2018.

Measure U was placed on the ballot by the City Council. It allowed the City Charter to be amended to remove the City Council from voting on their own salaries, require the Salary Setting Commission to adjust the base salaries for the Mayor and City Council once every five years, and limit base salary increases after each five-year adjustment to annual adjustments for inflation based on the Consumer Price Index. Additionally, Measure U amended the City Charter to align with State Law, allowing Council to submit an alternative measure to a citizen initiative. Measure U was approved by the voters in November 2018.

Measure C, an Act to Limit Urban Sprawl and the Fiscal and Environmental Effects of Specified Development in Outlying Areas, was placed on the ballot by the City Council. This measure restricts the development of non-employment uses on designated lands in outlying areas near San Jose's Urban Growth Boundary, including Almaden Valley, Coyote Valley, and Evergreen Foothills, unless City Council determines such development will not adversely affect the City financially, will satisfy increased affordable housing requirements, and will mitigate environmental impacts, and pay appropriate fees for road improvements to address traffic impacts. Measure C was approved by the voters in June 2018.

Proposition 64 legalized recreational marijuana for persons aged 21 years or older under state law. Effective January 1, 2018, Proposition 64 allowed for the sale and taxation of recreational marijuana. Proposition 64 was approved by California voters in November 2016.

Measure E, Opportunity to Work, a citizen initiative measure, amended the San José Municipal Code to require employers to offer additional work hours to existing qualified part-time employees before hiring new employees, including sub-contractors and use of temporary staffing services. The requirement to offer additional work hours does not apply where the existing qualified part-time employees would be paid overtime or other premium rate under any law or collective bargaining agreement. Measure E was approved by the voters in November 2016.

Measure F, Alternative Pension Reform Act, was placed on the ballot by the City Council. It amended the San José City Charter to change employee retirement contributions and benefits and retiree healthcare benefits. This measure superseded the Measure B modifications approved by the voters in 2012 and included the following components: retirement benefits for Tier 2 members were improved to levels similar to other Bay Area agencies and the costs of the benefit will be shared 50/50 between the City and employees; the defined benefit retiree healthcare plan was closed to new members; Tier 1 employees who return after leaving the City will be Tier 1 employees; the pre-Measure B definition of disability was reinstated; an independent medical panel will be created to determine eligibility for disability retirements; the elimination of the Supplemental Retiree Benefit Reserve will continue and it will be replaced with a Guaranteed Purchasing Power benefit to protect retirees against inflation; both the City and employees will be required to make the full annual required plan contributions calculated by the applicable retirement board; voter approval is required for any future enhancements to defined retirement benefits; and retroactive benefit

enhancements are prohibited. Measure F was passed by the voters in November 2016.

Measure G, Business Tax Modernization, was placed on the ballot by the City Council. It enacted an ordinance to revise San José's 1986 Business Tax. Effective July 1, 2017, the revised ordinance 1) increases the minimum base tax; 2) requires payment of the minimum base tax by all businesses; 3) sets graduated rates for businesses with more employees paying higher rates and residential and commercial landlords paying more per unit, lot, and square feet of leased space; 4) requires water companies to pay an amount per San José meter connection; and 5) raises the annual caps on the maximum amount of tax payable. Where a business owes the tax based on both its number of employees and leased number of units, lots, or square feet, the business is required to pay the higher of the two calculations. The revised ordinance also provides for an annual adjustment for inflation based on a consumer price index beginning on July 1, 2018, subject to specified limits. Measure G was approved by the voters in November 2016.

Measure B, Local Sales Tax, enacted a ¼ percent sales tax in San José beginning October 1, 2016 for 15 years to fund essential City services, such as: improving public safety (e.g., additional police officers to improve emergency response times, reduce violent and non-violent crimes, increase neighborhood patrols, and increase fire resources to improve fire and emergency medical response times); maintaining and repairing major streets (e.g., increase pavement maintenance funding for major streets to significantly slow the incidence of pothole formation and general pavement deterioration); and increasing neighborhood services (e.g., additional resources for reducing homelessness, increasing youth and senior services, and other high priority neighborhood services, such as blight eradication and gang prevention). Measure B was passed by the voters in June 2016.

Measure B, Library Parcel Tax, authorized the collection of a parcel tax to enhance the City's library services and facilities. The tax is collected twice per year on each parcel of real property and deposited into the Library Parcel Tax Fund. All proceeds, including interest, must be expended for Library purposes. Measure B was approved by voters in 2014 and will sunset in 2039. This measure follows two prior voter approved measures to support library services. In November 1994, voters approved Measure E (sunset in 2005), and in November 2004 voters approved Measure S (sunset in 2015).

Measure D requires the payment of minimum wages in San José at $10 per hour with an annual increase, if any, based on the Consumer Price Index beginning January 1, 2014; City enforcement through fines, penalties, civil actions, or revocation or suspension of permits or licenses; voter approval of substantive changes to the ordinance; and allows private enforcement through civil actions. Measure D was passed by the voters in 2012.

Measure B allowed the City Charter to be amended to modify retirement benefits of City employees and retirees by increasing employees' contributions, establishing a voluntary reduced pension plan for current employees, establishing pension cost and benefit limitations for new employees, modifying disability retirement procedures, temporarily suspending retiree Cost of Living Adjustments during emergencies, and requiring voter approval for increases in future pension benefits. This Measure was superseded by Measure F in November 2016. Measure B was passed by the voters in 2012.

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Measure K increased the Cardroom Tax rate on gross revenues from 13% to 15%, allowed each cardroom to seek City approval to increase the number of tables from 40 to 49, removed the limit on the number of permissible card games to allow any card game permissible under State law consistent with City regulations, and increased the betting limit from $200 to that allowed under State law. Measure K was passed by the voters in 2010.

Measure U allowed the City Council to impose a business tax on marijuana businesses in San José at a rate of up to 10% of gross receipts. The revenues from the marijuana business tax are subject to an annual audit. Measure U was passed by the voters in 2010.

Measure V changed the mandatory arbitration process regarding the selection of the Chair of the Board and required all hearings and documents submitted in arbitration to be accessible to the public. Further, it requires that the Arbitration Board consider the City's financial condition and ability to pay; provide consideration to the rate of increase or decrease of compensation approved by the City Council for other bargaining units; be precluded from rendering a decision or issuing an award that increases the projected cost of compensation at a rate that exceeds the rate of increase in certain revenues, retroactively increases or decreases compensation, creates a new or additional unfunded liability, or interferes with the discretion of the Police or Fire Department to make managerial, operational, or staffing decisions. Measure V was passed by the voters in 2010.

Measure W allowed the City Council to adopt an ordinance to exclude future City officers and employees from any existing retirement plans or benefits and establish retirement plans for future employees that do not provide for the current minimum requirements set forth in the San José City Charter. Measure W was passed by the voters in 2010.

Proposition 22 reduces or eliminates the State's authority to delay or redirect the distribution of tax revenues for transportation, redevelopment, or local government projects and services, even during periods of severe fiscal hardship. The proposition requires the State Controller to reimburse local governments or accounts if a court rules that the State violated a provision of Proposition 22. Proposition 22 was passed by the voters in 2010.

Proposition 26 requires that certain State fees be approved by a two-thirds vote of the State legislature and certain local fees be approved by two-thirds of voters. The proposition broadened the definition of a State or local tax to include some fees and charges that governments previously could impose with a majority vote. Proposition 26 was passed by the voters in 2010.

2000s Initiatives

Measure J replaced the Emergency Communication System Support Fee of $1.75 per telephone line per month with a tax of $1.57 per telephone line per month. The City ceased collecting the fee and began collecting the tax on April 1, 2009. The tax is collected from telephone users on their phone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service. Measure J was passed by the voters in 2008.

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Measure K reduced the telephone utility rate from 5.0% to 4.5% (10% reduction) in San José. This measure broadened the base for the utility tax and the definition of technologies covered by the tax. The utility company collects the tax from consumers on a monthly basis and is required to remit the tax to the City by the 25th of the following month. The tax is not applicable to State, County, or City agencies. Measure K was passed by the voters in 2008.

Proposition 1A prohibits the State from reducing local governments' property tax revenue. The provisions may be suspended only if the governor declares a fiscal necessity and two-thirds of the State legislature approves the suspension. Suspended funds must be repaid within three years. Proposition 1A also requires local sales tax revenues to remain with local governments and for the State to fund legislative mandates. Proposition 1A was passed by the voters in 2004 and became effective in 2006.

Measure A, the Airport Security and Traffic Relief Act, authorized the City to implement infrastructure improvements at the Airport to meet federally mandated security requirements, improve passenger facilities, and add nine new gates once the Airport street system is within three years of completion and funding has been identified for the implementation of the Airport People Mover transit connection. Measure A was passed by the voters in 2003.

Measure O authorized the issuance of a $159 million general obligation bond (Neighborhood Security Act Bond Measure) to improve San José's fire, police, and paramedic response times by adding and improving fire stations, police stations, and training facilities and creating state-of-the-art 9-1-1 communications facilities. Measure O was passed by the voters in 2002.

Measure K approved an update to San José's General Plan to modify greenline/urban boundaries. Measure K was passed by the voters in 2000.

Measure O authorized the issuance of $212 million in bonds over 10 years for the establishment of six new and 14 expanded branch libraries in San José. Measure O was passed by the voters in 2000.

Measure P authorized the issuance of $228 million in general obligation bonds for the establishment of new and improved existing public parks and facilities in San José. Measure P was passed by the voters in 2000.

1990s Initiatives

Measure I authorized the construction of a new City Hall, located in downtown San José. Measure I was passed by the voters in 1996.

Proposition 218 extended the two-thirds majority vote requirement for any new user fees or new taxes to be levied at the local level. Assessments, fees, and charges must be submitted to property owners for approval or rejection after notice and public hearing. Proposition 218 was passed by the voters in 1996.

Proposition 172 enacted a half-cent sales tax increase. Monies derived from this tax must be utilized solely for public safety services. Revenue is distributed to cities and counties for purposes such as police, sheriffs, fire, district attorneys, and corrections. Proposition 172 was passed by the voters in 1993.

Measure I established term limits for the City. City Council members and the mayor can only serve for two successive four-year terms in office. Measure I was passed by the voters in 1990.

Proposition 8 allowed a property owner to file an assessment appeal when the market value of the property is less than the current assessed value. If the appeal is successful, the assessed valuation is lowered to reflect current market conditions. Proposition 8 also provided that the value of reassessed properties may be increased to previous levels when market values increase. Proposition 8 was passed by the voters in 1990.

Proposition 111 enacted a state-wide traffic congestion relief program and changed the procedures for calculating the Gann Limit by updating the spending limit on state and local government to better reflect the needs of a growing California population. It provided new revenues to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. Proposition 111 was passed by the voters in 1990.

1980s Initiatives

Measure C authorized the City to use public funds to build low-rent housing. Measure C was passed by the voters in 1988.

Measure H authorized the City to build a sports arena, currently known as the SAP Center at San José. Measure H was passed by the voters in 1988.

Measure J clarified the City Auditor's investigatory powers, create an independent Policy Analyst to review administration recommendations, increased the Mayor and City Council's investment in administrative oversight and budgeting, instruct the Salary Setting Commission to consider the full-time nature of Council positions, and transfer the Public Information Officer to the Mayor's Office. Measure J was passed by the voters in 1986.

1970s Initiatives

Proposition 4, otherwise known as the "Gann Limit," stipulated that the City must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the City can appropriate annually. The limit is adjusted each year using the following criteria: (1) the percentage change in California Per Capita Income or the change in the City's Assessed Valuation due to new non-residential construction, whichever is greater and (2) the percentage change in the city-wide population, whichever is greater. Proposition 4 was passed by the voters in 1979.

Proposition 13 placed a substantial limitation on the ability of local governments to collect sufficient property taxes commensurate with the historical role this revenue source has played in funding both municipal operations and new public facilities. Proposition 13 specified that an assessed value may increase at the rate of the Consumer Price Index, not to exceed two percent per year based on the 1979 value, unless the property is improved or sold aligning the newly assessed value to the market value. Proposition 13 was passed by the voters in 1979.

1890 – 1970 Initiatives

1965 – Passed by the voters in 1965, the City Charter reaffirms the Council-Manager form of government in San José. The City consists of 10 council members elected by district and a mayor elected at large.

1897 – The City Charter was adopted in 1897. The Charter generally establishes the organization and structure of City government. The Charter also empowers the City Council to make and enforce all ordinances and regulations with respect to municipal affairs, subject only to the limitations specified in the Charter.

CITY OF SAN JOSE
ANNUAL BUDGET PROCESS



COMMUNITY

Input on Budget Priorities and Direction Through:
- Direct contact with Mayor and City Council
- Community-Wide Surveys and Meetings

Public Hearing on Mayor's March Budget Message
- City Council meets to receive public input on Mayor's March Budget Message

Initial Public Hearing on Proposed Budget
- City Council meets to receive public input on Proposed Budget

Final Public Hearing on Proposed Budget
- Last opportunity for public input on Proposed Budget

MAYOR & CITY COUNCIL

Review and Approval of Annual Report
- Provides understanding of the fiscal status and condition of the City to inform the upcoming budget process

City Council Priority Setting Process
- Develop budget priorities for the City based on input from the Community, Staff, and City Council

Review and Approval of Mayor's March Budget Message
- Provides more specific direction for preparation of the Proposed Budget

Review Proposed Budget in Budget Study Sessions
- Working sessions with City Manager, CSA, and department representatives to review details of the Proposed Budget

Release City Council Budget Documents
- Requested reports and amendments to the Proposed Budget

Review and Approval of Mayor's June Budget Message
- Changes to Proposed Budget based on feedback from City Council and public

CITY ADMINISTRATION

Annual Report on Prior-Year Financial and Service Results
- Report to City Council and Community on financial performance of the City for the preceding fiscal year

Preliminary General Fund Forecast Planning and Department Budget Proposal Submittal
- In context of the preliminary budget outlook, departments develop service delivery and budget strategies for upcoming budget process

Release City Manager's Budget Request and Five-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program
- Projects revenues for next 5-year period
- Projects General Fund expenditures to achieve previously approved by City Council service levels

Finalize City Manager's Proposed Budget/Capital Improvement Program
- CSAs incorporate strategic planning and City Council direction into results-driven spending plans
- Analyze budget strategies and other service delivery options within context of budgetary outlook

Release City Manager's Proposed Operating and Capital Budgets, Capital Improvement Program, and Fees and Charges Report
- Provide service delivery strategies in the context of proposed revenue projections and a balanced spending plan

Release City Manager's Budget Addenda
- Administration's reports and amendments to the Proposed Budget are submitted for City Council review and consideration

Final City Council Budget Adoption

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
CITY ORGANIZATION BY CITY SERVICE AREA

Community and Economic Development

Economic Development and Cultural Affairs
- Cultural Affairs: Arts, Sports, and Entertainment
- Economic Growth and Business Development
- Workforce and Talent Development

Fire
- Fire Safety Code Compliance

Housing
- Community Investments
- Housing Portfolio Management
- Housing Production and Preservation
- Rent Stabilization and Tenant Protections

Planning, Building and Code Enforcement
- Citywide Land Use Planning
- Development Plan Review and Building Construction

Public Works
- Regulate/Facilitate Private Development

Environmental and Utility Services

Energy Department
- Providing Clean Energy to the Community
- Energy Customer Support
- Energy Community Programming

Environmental Services
- Potable Water Delivery
- Recycled Water Management
- Recycling and Garbage Services
- Stormwater Management
- Sustainability and Environmental Health
- Utility Regulatory Advocacy and Compliance
- Wastewater Management

Transportation
- Sanitary Sewer Maintenance
- Storm Sewer Maintenance

Public Safety

City Manager
- City-Wide Emergency Management

Fire
- Emergency Response
- Fire Prevention

Independent Police Auditor
- Independent Police Oversight

Police
- Crime Prevention and Community Education
- Investigative Services
- Regulatory Services
- Respond to Calls for Service and Patrol Support

Neighborhood Services

Housing
- Homelessness Response

Library
- Access to Information, Library Materials, and Digital Resources
- Literacy and Learning, Formal and Lifelong Self-Directed Education

Parks, Recreation and Neighborhood Services
- Animal Care and Services
- Community Facilities Development
- Community Services
- Parks Maintenance and Operations
- Recreation Services

Planning, Building and Code Enforcement
- Code Enforcement

Transportation and Aviation Services

Airport
- Airport Marketing and Communications
- Airport Facilities
- Airport Operations

Transportation
- Parking Services
- Pavement Maintenance
- Street Landscape Maintenance
- Traffic Maintenance
- Transportation Planning and Project Delivery
- Transportation Safety and Operations

Strategic Support

Finance
- Debt and Treasury Management
- Disbursements
- Financial Reporting
- Purchasing and Risk Management
- Revenue Management

Human Resources
- Employee Benefits
- Employment Services
- Health and Safety
- Training and Development

Information Technology
- Business Solutions
- San José 311
- Technology Infrastructure and Operations

Public Works
- Facilities Management
- Fleet and Equipment Services
- Plan, Design, and Construct Public Facilities and Infrastructure

Mayor, City Council, and Appointees

Mayor and City Council
- City Council
- Council General
- Office of the Mayor

City Attorney
- Legal Services

City Auditor
- Audit Services

City Clerk
- City Clerk Services

City Manager
- Lead and Manage the Organization

Retirement Services
- Retirement Plan Administration

CITY ORGANIZATION BY DEPARTMENT/ CITY SERVICE AREA/CORE SERVICE/PROGRAM

Airport

Transportation and Aviation Services CSA
- **Airport Marketing and Communications**
  - Airport Marketing and Communications
- **Airport Facilities**
  - Airport Facilities Administration
  - Airport Facilities Parking and Roadways Maintenance
  - Airport Planning and Capital Development
  - Airport Terminals Maintenance
  - Airside Maintenance
- **Airport Operations**
  - Airport Parking and Roadways Operations
  - Airside Operations
  - Operations Administration
  - Terminals Operations
- **Strategic Support***

City Attorney

Strategic Support CSA
- **Legal Services**
  - Legal Representation
  - Legal Transactions
- **Strategic Support***

City Auditor

Strategic Support CSA
- **Audit Services**
  - Performance Audits
- **Strategic Support***

City Clerk

Strategic Support CSA
- **City Clerk Services**
  - Facilitate the City's Legislative Process
- **Strategic Support***

City Manager

Public Safety CSA
- **City-Wide Emergency Management**
  - Emergency Management
  - Emergency Preparedness and Planning

Strategic Support CSA
- **Lead and Manage the Organization**
  - Administration, Policy, and Intergovernmental Relations
  - Budget Office
  - Civic Innovation
  - Communications
  - Employee Relations
  - Executive Leadership/City Management
  - Racial and Social Equity
- **Strategic Support***

Energy

Environmental and Utility Services CSA
- **Providing Clean Energy to the Community**
  - Conventional Energy Supply
  - Electrical Grid Administration and Scheduling
  - Energy Risk Management
  - Regulatory Compliance
  - Renewable and Greenhouse Gas-Free Energy Supply
  - Resource Adequacy Supply
- **Energy Customer Support**
  - Data and Call Center Management
  - Marketing and Public Affairs
- **Energy Community Programming**
  - Climate Smart
  - Local Energy Programs
- **Strategic Support***

Economic Development and Cultural Affairs

Community and Economic Development CSA
- **Cultural Affairs: Arts, Sports, and Entertainment**
  - City-Owned Venue Stewardship
  - Convention Center and Destination Marketing
  - Cultural Investments and Special Events
  - Public Art / Placemaking
  - Sports and Entertainment Planning and Coordination
- **Economic Growth and Business Development**
  - Business District and Small Business Support
  - Business Retention, Expansion, and Attraction
  - Downtown
  - Real Estate Development
- **Workforce and Talent Development**
  - Employer Hiring Initiatives
  - Training, Education, and Career Support
- **Strategic Support***

CITY ORGANIZATION BY DEPARTMENT/ CITY SERVICE AREA/CORE SERVICE/PROGRAM

Environmental Services

Environmental and Utility Services CSA
- **Potable Water Delivery**
  - Municipal Water System Operations and Maintenance
  - Municipal Water System Planning and Capital Project Delivery
- **Recycled Water Management**
  - South Bay Water Recycling Operations and Maintenance
- **Recycling and Garbage Services**
  - Civic/Other Solid Waste Collection Services
  - Commercial Solid Waste Collection Services
  - Recycling and Garbage Services Administration
  - Residential Solid Waste Collection Services
- **Stormwater Management**
  - Stormwater Administration
  - Stormwater Enforcement
  - Stormwater Policy and Compliance
- **Sustainability and Environmental Health**
  - Environmental Compliance and Safety
  - Policy, Legislative Advocacy, and Education
- **Utility Regulatory Advocacy and Compliance**
  - City Facility Land-Use and Compliance
  - Policy and Legislative Advocacy
  - Purified Water
  - Regulatory Compliance
- **Wastewater Management**
  - Facility Land Use and Planning
  - Laboratory Services
  - Pretreatment
  - Regulatory Compliance and Safety
  - San José-Santa Clara Treatment Plant Capital Project Delivery
  - San José-Santa Clara Treatment Plant Operations and Maintenance
- **Strategic Support***

Finance

Strategic Support CSA
- **Debt and Treasury Management**
  - Banking Management
  - Cashiering and Payment Processing
  - Debt Management
  - Investment Management
- **Disbursements**
  - Accounts Payable
  - Payroll
- **Financial Reporting**
  - General Accounting
  - Special Accounting
- **Purchasing and Risk Management**
  - Purchasing
  - Risk Management
- **Revenue Management**
  - Accounts Receivable
  - Business Tax
  - Revenue Audit and Compliance
  - Utility Billing System
- **Strategic Support***

Fire

Public Safety CSA
- **Fire Department Emergency Response**
  - Fire and Emergency Medical Services Dispatch
  - Fire and Emergency Medical Services Response
  - Fire Stations/Apparatus Operations and Maintenance
  - Fire Sworn Training
  - Special Operations Airport Rescue & Fire Firefighting
  - Special Operations - Hazardous Incident Team
  - Special Operations - Urban Search and Rescue
- **Fire Prevention**
  - Fire Cause Investigation
  - Fire Safety Education, Review, and Inspections
- **Strategic Support***

Community and Economic Development CSA
- **Fire Safety Code Compliance**
  - Fire Development Services
- **Strategic Support***

CITY ORGANIZATION BY DEPARTMENT/ CITY SERVICE AREA/CORE SERVICE/PROGRAM

Housing

Community and Economic Development CSA
- **Community Investments**
  - Community Development Block Grant - Infrastructure Investments
  - Neighborhood Stabilization
  - Non-Profit Service Grants to Support Housing and Community Development Needs
  - Place-Based Neighborhood Strategy
- **Housing Portfolio Management**
  - Loan Collections
  - Loan Compliance
  - Property Maintenance and Inspection
- **Housing Production and Preservation**
  - Affordable Housing Development Loans
  - Homeownership Opportunities
  - Inclusionary Housing
  - Rehabilitation Loans and Grants
  - Permanent Supportive Housing
- **Rent Stabilization and Tenant Protections**
  - Apartment Rent Ordinance Administration
  - Mobilehome Rent Ordinance Administration
  - Tenant Protection Ordinance

Neighborhood Services CSA
- **Homelessness Response**
  - Interim Housing Construction and Operations
  - Homeless Administrative Support
  - Homeless Outreach and Engagement
  - Homeless Prevention
  - Homeless Services
  - Rapid Rehousing
- **Strategic Support***

Human Resources

Strategic Support CSA
- **Employee Benefits**
  - Deferred Compensation
  - Dental Benefits
  - Medical Benefits
  - Other Benefits
  - Voluntary Employees' Beneficiary Association Plan (VEBA)
- **Employment Services**
  - Classification Services
  - Recruiting/Hiring
- **Health and Safety**
  - Employee Health Services
  - Employee Safety
  - Workers' Compensation Administration
- **Training and Development**
  - Employee Training and Development
- **Strategic Support***

Independent Police Auditor

Public Safety CSA
- **Independent Police Oversight**
  - Oversight of Police Misconduct Complaints and Public Outreach
- **Strategic Support***

Information Technology

Strategic Support CSA
- **Business Solutions**
  - Business Automation and Development
  - Data Services
  - Enterprise Resource Management
  - Productivity and Collaboration Applications
- **San José 311**
  - City Customer Contact Center
- **Technology Infrastructure and Operations**
  - Cybersecurity Office
  - IT Customer Care
  - IT Systems and Operation
  - Voice and Data Network Infrastructure
- **Strategic Support***

Library

Neighborhood Services CSA
- **Access to Information, Library Materials, and Digital Resources**
  - Access and Borrower Services
  - Electronic Resources Implementation and Maintenance
  - Library Facilities and Security
  - Main Library Operations
  - Materials Acquisitions and Processing
- **Literacy and Learning, Formal and Lifelong Self-Directed Education**
  - Early Education and Family Learning
  - Adult Literacy
- **Strategic Support***

Mayor and City Council

Strategic Support CSA
- City Council
- Council General
- Office of the Mayor

CITY ORGANIZATION BY DEPARTMENT/ CITY SERVICE AREA/CORE SERVICE/PROGRAM

Parks, Recreation, and Neighborhood Services

Neighborhood Services CSA
- **Animal Care and Services**
  - Animal Licensing and Customer Services
  - Animal Services Field Operations
- **Community Facilities Development**
  - Major Capital Improvement Projects Management
  - Minor Parks Capital Improvement Projects
- **Community Services**
  - Encampment Management
  - Illegal Dumping and Homeless Encampment Trash Collection and Abatement Services
  - Neighborhood Blight Reduction and Beautification
  - Youth Gang Prevention and Intervention
- **Parks Maintenance and Operations**
  - Family Camp
  - Happy Hollow Park & Zoo
  - Municipal Golf Courses
  - Neighborhood Parks and Regional Parks
  - Park Rangers
  - Parks Administration
  - Sports Fields Maintenance & Reservations
  - Volunteer, Adopt a Park, and Community Gardens
- **Recreation Services**
  - Aquatics
  - Community Center Operations
  - Neighborhood Center Partners Program
  - Park Activation/Placemaking
  - Recreation Administration
  - Senior Services
  - Youth Services
- **Strategic Support***

Planning, Building and Code Enforcement

Community and Economic Development CSA
- **Development Plan Review and Building Construction**
  - Building Development Services
  - Development Services Administration
  - Planning Development Services
- **Citywide Land Use Planning**
  - Citywide Planning
  - Planning Administration
  - Planning Environmental Review and Historic Preservation
- **Strategic Support***

Neighborhood Services CSA
- **Code Enforcement**
  - Code Enforcement Administration
  - Community Code Enforcement
  - Multiple Housing Code Enforcement
  - Solid Waste Code Enforcement
- **Strategic Support***

Police

Public Safety CSA
- **Crime Prevention and Community Education**
  - Crime Prevention
  - School Liaison/Truancy Abatement
  - School Safety
- **Investigative Services**
  - Assaults
  - Court Liaison
  - Crime Analysis
  - Family Violence
  - Financial Crimes/Burglary
  - Gang Investigations
  - Homicide/Crime Scene
  - Internal Affairs
  - Investigations Administration
  - Juvenile/Missing Persons
  - Robbery
  - Sexual Assaults
  - Special Investigations
- **Regulatory Services**
  - Cannabis Regulation
  - Gaming
  - Permits
- **Respond to Calls for Service and Patrol Support**
  - 9-1-1 Call Taking & Police Dispatch
  - Air Support
  - Airport Division
  - Downtown Services
  - Field Operations Administration
  - Field Patrol
  - Metro
  - Police - Reserves Unit
  - Special Operations
  - Traffic Enforcement
  - Violent Crimes Enforcement
- **Strategic Support***

CITY ORGANIZATION BY DEPARTMENT/ CITY SERVICE AREA/CORE SERVICE/PROGRAM

Public Works

Community and Economic Development CSA
- **Regulate/Facilitate Private Development**
  - Public Works Development Services
- **Strategic Support***

Strategic Support CSA
- **Facilities Management**
  - City Facilities Repairs and Minor Capital Improvements
  - Energy and Water Conservation
  - Facility Maintenance and Operations - City Hall
  - Facility Maintenance and Operations – Non-City Hall
- **Fleet and Equipment Services**
  - Fleet Maintenance and Operations
  - Fleet Replacement
  - Radio Communication
- **Plan, Design, and Construct Public Facilities and Infrastructure**
  - City Facilities Architectural Services and Capital Project Administration
  - City Facilities Engineering and Inspection Services
  - Transportation and Storm Sewer Capital
- **Strategic Support***

Retirement Services

Strategic Support CSA
- **Retirement Plan Administration**
  - Retirement Benefits
  - Retirement Investments
- **Strategic Support***

Transportation

Environmental and Utility Services CSA
- **Sanitary Sewer Maintenance**
  - Sanitary Sewer System Maintenance
- **Storm Sewer Maintenance**
  - Storm Sewer Operation and Maintenance
  - Street Sweeping
- **Strategic Support***

Transportation and Aviation Services CSA
- **Parking Services**
  - Off-Street Parking
  - On-Street Downtown Operations
  - On-Street Parking
- **Pavement Maintenance**
  - Corrective Pavement Repair
  - Pavement Maintenance Administration and Capital Project Delivery
- **Street Landscape Maintenance**
  - Special District Landscape Services
  - Streetscape Services
- **Traffic Maintenance**
  - Traffic Signal Maintenance
  - Traffic Signs and Markings Maintenance
  - Traffic Streetlights Maintenance
- **Transportation Planning and Project Delivery**
  - Transportation Capital Project Delivery
  - Transportation Multi-Modal Alternatives
  - Transportation Planning and Policy
- **Transportation Safety and Operations**
  - Neighborhood Traffic
  - Traffic Safety
  - Traffic Signals and Systems Management
- **Strategic Support***

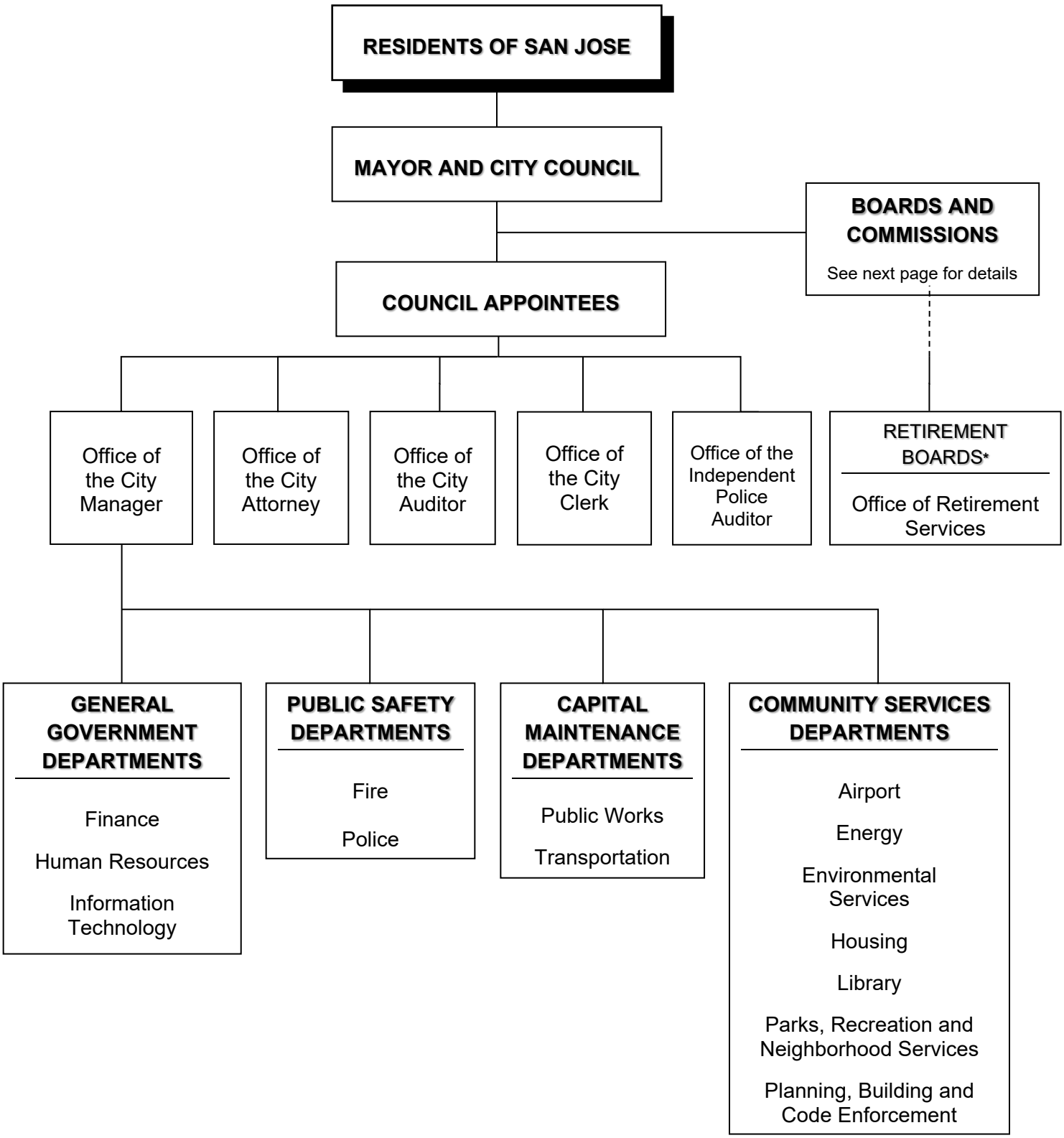
** Strategic Support General Categories*

Strategic Support
- Emergency Response and Recovery
- Financial Management
- Human Resources
- Information Technology
- Interim Housing Development and Maintenance
- Management and Administration

Strategic Support – Fund Balance & Reserves
- Ending Fund Balance
- Reserves

Strategic Support – Other
- Capital
- Debt/Financing Costs
- Gifts
- Other Departmental – Administration
- Other Departmental – City-Wide
- Other Departmental – Grants
- Overhead
- Transfers
- Workers' Compensation

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
CITY ORGANIZATION BY FUNCTION



*Federated City Employees Retirement System Board of Administration and Police and Fire Department Retirement Plan Board of Administration

BOARDS, COMMISSIONS AND COMMITTEES

Airport Commission
Appeals Hearing Board
Arts Commission
Bicycle Pedestrian Advisory Committee
Board of Fair Campaign and Political Practices
Civil Service Commission
Climate Advisory Commission
Community Stabilization and Opportunity Pathways Fund Commission
Council Appointment Advisory Commission
Council Salary Setting Commission
Deferred Compensation Advisory Committee
Downtown Parking Board
Federated City Employees' Retirement Board
Historic Landmarks Commission
Housing and Community Development Commission
Library and Education Commission
Measure T Community Oversight Committee
Oversight Board – RDA (SARA)
Parks and Recreation Commission
Planning Commission
Planning Director's Hearing
Police and Fire Department Retirement Board
San José Arena Authority
San Jose-Santa Clara Clean Water Financing Authority
San José Youth Empowerment Alliance
Small Business Advisory Committee
Senior Citizens Commission
Treatment Plant Advisory Committee (TPAC)
Voluntary Employees Beneficiary Association Advisory Committee
Work2Future Board
Youth Commission

OPERATING BUDGET GUIDE

The Operating Budget document includes the **City Manager's Budget Message**, outlining major policy issues and changes to City programs, including the General Fund Balancing Strategy Detail, status of Mayor and City Council referrals, and status of City Auditor recommendations with funding impact. The **Community Profile** section includes the roster of elected officials, as well as a listing of State and local legislative highlights. The **Budget Guide** section provides a flow chart of the City of San José's annual budget process; City organization charts by City Service Area, Function, and Department/Core Service/Program; this operating budget guide; a list of boards, commissions, and committees; fund descriptions; a glossary of terms; and an acronyms index. **Summary Information** of expected revenues, expenditures and staffing is then presented, along with comparative five-year **History and Trend** information on revenues, expenditures, and staffing for the Adopted Budget. The **Budget Policies and Practices** section includes budgeting policies, a City Service Area policy framework, significant accounting practices, and information regarding debt service obligations. The **General Fund Revenue Estimates** section contains assumptions used in budget development, as well as descriptions of major General Fund revenue sources. The remaining Operating Budget document is organized by the following sections as discussed below.

City Service Areas (CSAs) align services provided in individual departments into the City's six key lines of business as viewed from the community's perspective. A collection of core services from various partner departments, CSAs show the results of the collaboration among the departments at a higher organizational level:

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

Strategic Support represents functions that provide organization-wide guidance and support to enable the delivery of the City's direct services.

As an introduction to the CSA section, an **Overview** of the CSA concept, structure, and role in strategic planning and cross-departmental management of service delivery is included. Also, a **City Service Area/Core Service Map** is provided.

CITY SERVICE AREAS (CSA)

Individual sections on each of the six CSAs follow. Each individual CSA section begins with a **Cover Page** that lists the **CSA Mission Statement**, **Outcomes**, and **Primary Partners**, followed by a **Service Delivery Framework** that maps the linkage between the CSA mission, outcomes, and core services. A **CSA Community Indicators Dashboard** shows the impact on the community **and Performance Measure Dashboard** shows key performance measures for the CSA.

A **Budget Overview follows, which includes the CSA's Priorities/Expected 2026-2027 Service Delivery and 2026-2027 Key Budget Actions** for the next year, and a detailed **City Service Area Budget Summary**.

CITY SERVICE AREAS (CSA) CONT'D.

The CSA Budget Overview continues with the **Budget Dollars At Work: Performance Goals** section, which focuses on strategic goals and performance measures by outcome. A chart is displayed under each outcome outlining the current year, subsequent year, and five-year Strategic Goals and associated performance measures. The **Budget Changes** section provides a listing of actions including position and budget changes

CITY DEPARTMENTS/COUNCIL APPOINTEES

Next, the **City Departments** section, organized alphabetically, reflects technical budget information for each department and provides a full description of budget changes. Each department section begins with a brief synopsis of the department, including the department's **Mission Statement**, listing of the **City Service Areas** supported by the department, and listing and description of the department's **Core Services**. A **Service Delivery Framework** follows, which maps the linkage between the department's **Core Services** and **Programs** and provides program descriptions.

This framework is followed by a **Department Budget Summary**, which includes a summary description of expected 2026-2027 service delivery, impacts of 2026-2027 key budget actions, and a list of operating funds managed by the department (if applicable). A table reflecting funding by core service, category, and funding source for four separate points in time: 2024-2025 Actual Expenditures, 2025-2026 Adopted Budget, 2026-2027 Forecast (Base Budget), and 2026-2027 Proposed Budget follows. Starting in 2017-2018, the data included in this section has been expanded to include all operating costs managed by the department (e.g., City-Wide Expenses, debt service/financing costs) except Transfers, Reserves and Ending Fund Balances. Total Authorized Positions by Core Service are also provided. This section also includes a Dollars by Program that reflects the budget by Core Service and Budget Program.

Next, the **Budget Reconciliation** is presented, which reconciles the Personal Services and Non-Personal/Equipment budget from the 2025-2026 Adopted Budget to the 2026-2027 Proposed Budget. The significant Base Budget adjustments are described (such as negotiated salary and benefit changes and contractual obligations) from the prior year's Adopted Budget and a listing of Budget Actions for 2026-2027 is included.

The details of **Budget Changes by Department** are provided next. Included for each change is a budget action title; the action's impact on positions, all funds, and the General Fund; a list of the CSAs, core services and programs impacted; followed by a description of what will be added or deleted, the need for the change, and the amount and nature of the funding involved.

CITY DEPARTMENTS/COUNCIL APPOINTEES CONT'D.

The **Performance Summary** charts are next. These charts present the measures and data used in evaluating core service results. Most core services include performance measures that describe expected results in four key measurement areas:

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

The **Activity and Workload Highlights** chart shows the scope and extent of the workload demand and the activities completed. For example, while the Performance Summary section focuses on percentages of workload accomplished successfully, the Activity and Workload Highlights section may provide a count of the total workload attempted/completed.

The City Departments section ends with a **Departmental Position Detail** that provides the authorized positions for the department and a one-year history of changes.

CITY-WIDE

The next major section of the budget document includes technical budget information. **City-Wide Expenses** are General Fund allocations that relate to more than one department or are not directly associated with ongoing departmental operations. These expenses are categorized to align to the CSAs to which they primarily contribute. **General Fund Capital, Transfers, and Reserves** includes budget information regarding capital contributions, transfers to other funds, earmarked reserves, and the contingency reserve. Both the City-Wide Expenses and General Fund Capital, Transfers, and Reserves sections include a **Mission Statement**, listing of **City Service Areas** and **Expense Types** supported by these allocations, **Budget Summary**, **Budget Reconciliation**, **Budget Changes by Expense Type**, and **Detail of Costs Description** (a listing of all allocations for each Expense Type).

SOURCE AND USE OF FUNDS STATEMENTS

The **Source and Use of Funds Statements** detail projected revenues, expenditures, and fund balances and are included for all budgeted special funds.

APPENDICES

In the Proposed Budget, the appendices section includes the Mayor's March Message and the Homelessness Budget for 2026-2027.

FUND DESCRIPTIONS

Affordable Housing Impact Fee Fund

This Special Revenue Fund accounts for funding related to the Affordable Housing Impact Fee for the development of new market rate residential rental units.

Airport Capital Funds

These Enterprise Funds account for the Airport's capital expenditures and revenues and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and Airport Passenger Facility Charge Fund.

Airport Operating Funds

These Enterprise Funds account for the operation of the Airport and consist of the following: Airport Revenue Fund; Airport Maintenance and Operation Fund; Airport Surplus Revenue Fund; Airport Customer Facility and Transportation Fee Fund; and the Airport Fiscal Agent Fund.

Alameda Community Benefit Improvement District Fund

This Special Revenue Fund accounts for monies received from assessment of properties within the district boundaries and used for enhanced services and activities through enhanced maintenance and cleaning of sidewalk areas, information and safety services, and beautification activities beyond those provided by the City.

Benefit Funds

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, and Benefit Fund.

Branch Libraries Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure O). The use of this fund is restricted to the acquisition of property and the expansion and construction of branch libraries.

Building Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for enforcing building and structures are erected, constructed, enlarged, altered, or repaired in accordance to the City's building, residential, mechanical, plumbing, and electrical codes.

Building and Structure Construction Tax Fund

This Capital Fund accounts for the tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems.

FUND DESCRIPTIONS

Building Homes and Jobs Act Fund

This Special Revenue Fund accounts for state grant monies received from the Department of Housing and Community Development under the Building Homes and Jobs Act (SB2).

Business Improvement District Fund

This Special Revenue Fund accounts for assessments involving Business Improvement District activities.

Cash Reserve Fund

In the City's Annual Comprehensive Financial Report, this fund is grouped with the City's General Fund. This accounts for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues, and for payment of authorized expenses for any fiscal year that must be paid prior to the receipt of tax payments and other revenues.

City Hall Debt Service Fund

This Special Revenue Fund accounts for the debt service payments for City Hall and the City Hall off-site parking garage. This fund receives transfers from the General Fund, special funds, and capital funds in amounts sufficient to cover the debt service payments.

Citywide Planning Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to maintain an updated General Plan, zoning code, and other citywide plans and policies to allow development and new construction to occur consistent with the City's development policy and community objectives.

Community Development Block Grant Fund

This Special Revenue Fund accounts for federal grant monies received from the U.S. Department of Housing and Urban Development under Title II Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

Community Facilities and Maintenance Assessment District Funds

These Special Revenue Funds account for the maintenance and administration of assessment districts throughout the City.

Construction and Conveyance Tax Funds

These Capital Funds account for Construction and Conveyance tax receipts. The Construction Tax is a flat rate assessed to residential, commercial, and industrial development. The Conveyance Tax is a fee imposed at a rate of $3.30 for each $1,000 of the value of property conveyed. Construction and Conveyance Tax Funds are dedicated to the Parks and Community Facilities Development, Communications, Public Safety (for Fire capital purposes), Library, and Service Yards Capital Programs.

FUND DESCRIPTIONS

Construction Excise Tax Fund

This Capital Fund accounts for the tax on the construction of residential, commercial, and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This general purpose tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

Contingent Lien District Fund

This Capital Fund accounts for cost sharing agreements through special districts between private parties in regard to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Convention and Cultural Affairs Capital Fund

This Capital Fund accounts for transfers received from the Convention Center and Cultural Affairs Fund for the use of capital improvements and repairs to the McEnery Convention Center and other City owned Cultural Facilities.

Convention and Cultural Affairs Fund

This Special Revenue Fund accounts for the costs of managing and operating the San José McEnery Convention Center, California Theatre, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Parkside Hall, South Hall, and their related facilities and grounds.

Convention Center Facilities District Capital Fund

This Capital Fund, supported by transfers from the Convention Center Facilities District Revenue Fund, accounts for capital rehabilitation and improvements to the San Jose McEnery Convention Center.

Convention Center Facilities District Revenue Fund

This Special Revenue Fund accounts for Special Tax revenues collected by the City on behalf of the Convention Center Facilities District No. 2008-1.

Downtown Property and Business Improvement District Fund

This Special Revenue Fund accounts for revenue collected and expenses related to maintaining and operating any public improvements, which are payable from annual assessments apportioned among the several lots of parcels or property within the Downtown area.

Economic Development Administration Loan Fund

This Special Revenue Fund accounts for federal funds and loan repayments associated with the economic development administration program, which provides loans to small businesses for business expansion, remodeling, working capital, equipment or other specified uses with the goal of generating additional employment opportunities as a result of such assistance to businesses within the City of San José.

Edward Byrne Memorial Justice Assistance Grant Trust Fund

This Special Revenue Fund accounts for the City's portion of funding from the U.S. Department of Justice through the County of Santa Clara as a fiscal agent. Funds are restricted to law enforcement, prevention and education programs, and planning, evaluation, and technology improvements for front line law enforcement.

Emergency Reserve Fund

This Special Revenue Fund accounts for reserves established from local revenues to meet public emergencies.

Emma Prusch Memorial Park Fund

This Capital Fund accounts for the development and improvement of the Emma Prusch Memorial Park.

Evergreen Benefit Assessment District Fund

This Capital Fund accounts for cost sharing agreements within the Evergreen Specific Plan District between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Evergreen Creek Assessment District Fund

This Capital Fund accounts for cost sharing agreements within the Evergreen Creek District between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Evergreen-East Hills Traffic Impact Fee Fund

This Capital Fund accounts for fees paid by developers for all residential, commercial, or office development that contributes trips within the Evergreen-East Hills area and draws from either the residential, commercial, or office development pool approved through the Evergreen-East Hills Development Policy.

Federal Drug Forfeiture Fund

This Special Revenue Fund accounts for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Code. Federal guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Fire Development Fee Program Fund

This Special Revenue Fund accounts for construction fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for activities related to fire safety plan reviews and inspections for construction projects.

Gas Tax Maintenance and Construction Funds

These Special Revenue Funds account for the City's portion of the State collected Gas Tax. Revenues are restricted for acquisition, construction, improvement, and maintenance of public streets subject to provisions of the Streets and Highways Code of the State of California and to provide for traffic capital improvements.

General Purpose Parking Capital Fund

This Capital Fund accounts for capital construction of certain parking facilities. The parking system provides parking to the general public. This Fund is supported by a transfer from the General Purpose Parking Fund.

General Purpose Parking Fund

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters.

Gift Trust Fund

This Special Revenue Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City.

Home Investment Partnership Program Trust Fund

This Special Revenue Fund accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Homeless Housing, Assistance, and Prevention Fund

This Special Revenue Fund accounts for Homeless Housing, Assistance and Prevention grant funding from the State of California to address immediate homelessness challenges.

Housing Trust Fund

This Special Revenue Fund accounts for funding to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

Ice Centre Revenue Fund

This Special Revenue Fund accounts for the rental revenues received from Ice Centre operations and provides for the accumulation and transfer of base income to the appropriate debt service funds for repayment of facilities-related debts, as well as facility capital repair and renovation.

Improvement District Fund

This Special Revenue Fund accounts for revenues and expenditures related to the acquisition and construction of a variety of public infrastructure projects for which individual improvement districts were formed.

Inclusionary Fee Fund

This Special Revenue Fund accounts for fees, related to the Mitigation Fee Act requirement, for the new program on new housing developments as approved by the City.

Integrated Waste Management Fund

This Special Revenue Fund accounts for activities related to the Integrated Waste Management Program, which includes garbage collection, recycling services, and related billing operations. The fund collects revenues from the City's Recycle Plus program. These funds are expended for programs related to the City's efforts to comply with State law requiring cities to reduce waste sent to landfills along with other integrated waste management services.

Interstate 280/Winchester Traffic Impact Fee Fund

This Capital Fund accounts for monies received from the Interstate 280/Winchester Boulevard Traffic Impact Fee paid by developers for all new development in the area. Funds are expended for transportation improvements.

Lake Cunningham Fund

This Capital Fund accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance, and operations at Lake Cunningham Park.

Library Parcel Tax Capital Fund

This Capital Fund supports Library Program capital improvements and is funded by a transfer from the Library Parcel Tax Fund revenue.

Library Parcel Tax Fund

This Special Revenue Fund accounts for annual parcel tax revenues used for enhancing the City's library services and facilities.

Low and Moderate Income Housing Asset Fund

This Special Revenue Fund accounts for housing assets and functions related to the Low and Moderate Income Housing Program retained by the City. This fund provides funding for the administrative costs associated with managing the Successor Housing Agency assets and the continuation of affordable housing programs in the future.

Major Collectors and Arterial Fund

This Capital Fund accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

This Capital Fund accounts for fees associated with the connection of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas. These fees are assessed for the future construction of large water mains, reservoirs, and other large projects.

Multi-Source Housing Fund

This Special Revenue Fund accounts for grants, inclusionary fees, and rental dispute mediation fees to support the rental rights and referrals program, to expand the supply of affordable housing for low and very-low income residents by providing both financial and technical assistance to non-profit organizations in the production and operation of affordable housing, and to preserve the existing supply of affordable housing by providing rehabilitation grants and loans to low and moderate income homeowners.

Municipal Golf Course Fund

This Special Revenue Fund accounts for the construction, management, and operation of various City golf courses, including the San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

North San José Traffic Impact Fee Fund

This Capital Fund accounts for fees paid by developers for all industrial, residential, regional retail/large scale commercial, and hotel development with the North San José Area Development Policy Boundary. Monies expended for transportation improvements.

Parks and Recreation Bond Projects Fund

This Capital Fund accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is restricted to acquisition of property, upgrades, and construction of neighborhood parks, community centers, trails, regional parks, and sports complexes.

Planning Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and projects in the City. The use of this fund is restricted to provide for enforcing important economic, social, environmental, or planning goals of the city, public improvements, facilities, or services from which the public will benefit.

Public Safety and Infrastructure Bond Fund

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the November 2018 ballot (Measure T). The use of this fund is for acquisition of property or construction related to improvements in public safety and disaster preparedness. A portion of the fund will be used to pave streets and repair potholes.

Public Works Development Fee Program Fund

This Special Revenue Fund accounts for fees collected from developers for all new development and tenant improvements in the City. The use of this fund is restricted to provide for planning application revenue, plan revenue and inspection of public improvements, review of subdivision maps, grading permits, and revocable encroachment permits.

Public Works Program Support Fund

This Internal Service Fund accounts for Public Works administrative costs compensated absences, unfunded activities, and non-personal costs. An annual cost allocation plan is utilized to equitably allocate these costs to capital programs on the basis of service levels received as compensated time-off is earned rather than charging the costs when the time-off is taken. Various capital projects are charged a rate for each hour Public Works' staff spends on the project and corresponding revenue is received by this fund.

Public Works Small Cell Permitting Fee Program Fund

This Special Revenue Fund accounts for fees collected from telecommunication companies to install small cells and fiber on city's property, such as streetlights, traffic lights, and rooftops. The use of this fund is restricted to provide for the permitting and inspection of small cell installations and fiber optic permitting as well as field services.

Real Property Transfer Tax Fund

This Special Revenue Fund accounts for revenues from a voter-approved ballot measure, Measure E, in March 2020 that passed a general purpose tax. While the revenues may be used for any City purpose, City Council Policy 1-18 allocates this funding for affordable housing, homelessness prevention, and homeless support.

Rental Stabilization Program Fee Fund

This Special Revenue Fund accounts for fees, collected in accordance with the Mitigation Fee Act requirements, associated with implementing the Apartment Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and Mobilehome Ordinance programs.

Residential Construction Tax Contribution Fund

This Capital Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

Retirement Funds

These Trustee Funds account for the accumulation of resources to be used for retirement annuity payments and consist of the following: Federated Retiree Health Care Trust Fund; Federated Retirement Fund; Fire Retiree Health Care Trust Fund; Police Retiree Health Care Trust Fund; and Police and Fire Retirement Fund.

Route 101/Oakland/Mabury Traffic Impact Fee Fund

This Capital Fund accounts for monies received from the US-101/Oakland/Mabury Traffic Impact Fee paid by developers for all industrial, commercial, and residential development that contributes interchange trips and shall be expended for transportation improvements.

San José Arena Capital Reserve Fund

This Capital Fund provides funding for repairs and replacements of capital items at the San José Arena, including fixtures, machinery, and equipment. The fund receives revenues from San José Arena Management, the ownership group of the San Jose Sharks, and a General Fund contribution supported by revenue generated from the Arena. The amount of funding and the eligible capital repair items are specified by agreement between the City of San José and the San José Arena Management.

San José Clean Energy Operating Fund

This Enterprise Fund accounts for revenues from the sale of electricity and the costs of the San José Clean Energy Program.

San José Opioid Response Fund

This Special Revenue Fund accounts for revenues from the State of California for the use of prevention, intervention, harm reduction, treatment, and recovery services in the community.

San José-Santa Clara Treatment Plant Capital Fund

This Capital Fund accounts for the construction of improvements to the San José/Santa Clara Water Pollution Control Plant (WPCP), and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies and transfers from the Sewer Service and Use Charge Operating Fund.

San José-Santa Clara Treatment Plant Income Fund

This Enterprise Fund accounts for revenues and expenditures not related to the day-to-day operation and maintenance of the WPCP. It contains the City's share of revenue from activities such as land rentals, legal settlements, and purchase of land located at the WPCP.

San José-Santa Clara Treatment Plant Operating Fund

This Enterprise Fund accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

Sanitary Sewer Connection Fee Fund

This Capital Fund accounts for connection fees charged to developers for access to the City's sanitary sewer system. Funds are restricted to the construction and reconstruction of the sewer system.

Sewage Treatment Plant Connection Fee Fund

This Enterprise Fund accounts for revenues from new residential, commercial, and industrial connections to the WPCP. These revenues pay the City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

Sewer Service and Use Charge Capital Improvement Fund

This Capital Fund accounts for the reconstruction of the sanitary sewer system and is funded primarily by annual transfers from the Sewer Service and Use Charge Fund.

Sewer Service and Use Charge Fund

This Enterprise Fund accounts for Sewer Service and Use Charge fees collected from San José property owners to be used for financing, construction, and operation of the City's sewage collection system, and the City's share of the WPCP.

Shea Homes Advance Assessment District Fund

This Capital Fund accounts for cost sharing agreements Silver Creek Development District 1A between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Silicon Valley Bridge Assessment District Fund

This Capital Fund accounts for cost sharing agreements within the Silicon Valley Bridget District between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

Silver Creek Assessment District Fund

This Capital Fund accounts for cost sharing agreements within the Silver Creek Development District 1B between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

South Bay Water Recycling Capital Improvement Fund

This Capital Fund accounts for revenues from the sale of recycled water to South Bay Water Recycling (SBWR) retail customers and supports the expenditures for acquisition, construction, and installation of SBWR capital improvements.

South Bay Water Recycling Operating Fund

This Enterprise Fund accounts for the monies received from the sale of wholesale recycled water produced by the South Bay Water Recycling (SBWR) program for the operations and maintenance of the SBWR system.

St. James Park Management District Fund

This Special Revenue Fund accounts for the donations from developers collected in the Downtown Parks Management District for the activation, operations, and maintenance at St. James Park.

State Drug Forfeiture Fund

This Special Revenue Fund accounts for State drug forfeiture monies received whenever the Police Department is involved in asset seizures from convicted drug law violators. City Council guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

State Gas Tax Pavement Maintenance Fund

This Capital Fund accounts for monies received from the State Gas Tax allocated for transportation improvements and shall be expended for allowable transportation-related improvements as specified in the State of California's approved "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", including, but not limited to, building, rebuilding, or maintenance of streets, roads, and bridges, including right-of-way acquisition and administrative costs.

Storm Drainage Fee Fund

This Capital Fund accounts for fees collected from developers as a result of connections to the storm drainage sewer system, which may be used for expansion or capacity improvements of the storm drainage system or land acquisition for the system.

Storm Sewer Capital Fund

This Capital Fund accounts for the construction and reconstruction of the storm drainage system, and is funded primarily by transfers from the Storm Sewer Operating Fund.

Storm Sewer Operating Fund

This Special Revenue Fund accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for maintenance and operation of the storm drainage system. Expenditures are focused on maintenance and operation of the storm drainage system, as well as non-point source pollution reduction.

Subdivision Park Trust Fund

This Capital Fund accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Moneys in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Supplemental Law Enforcement Services Fund

This Special Revenue Fund accounts for revenues received from the State of California (AB 3229) to be used for front line municipal police services.

Transient Occupancy Tax Fund

This Special Revenue Fund accounts for receipts generated through the assessment of a percentage of the rental price for transient occupancy lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, 6% of which is placed in this fund and 4% of which is deposited in the General Fund. The uses of revenues from this source are specified by City Ordinance and include grants and rental subsidies for fine arts and cultural programs, and subsidies for the San José Convention and Visitors Bureau, and Convention and Cultural Facilities.

Underground Utility Fund

This Capital Fund accounts for fees collected from developers in lieu of placing utility facilities underground at the time of development. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.

Vehicle Maintenance and Operations Fund

This Internal Service Fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

VRF Measure B Pavement Maintenance Fund

This Capital Fund accounts for monies received from vehicle registration fees and monies used for transportation-related improvements.

VTA Measure B Pavement Maintenance Fund

This Capital Fund accounts for monies received from the Santa Clara Valley Transportation Authority Measure B ballot measure and monies in the VTA Measure B Pavement Maintenance Fund shall be expended for allowable transportation-related improvements as specified in the approved Santa Clara Valley Transportation Authority Measure B ballot measure, including, but not limited to, repairing and maintaining the street system, improving bicycle and pedestrian elements of the street system, and congestion relief projects.

Water Utility Capital Fund

This Capital Fund accounts for the acquisition, construction, and installation of water system capital improvements for the Municipal Water System. This system provides water service to North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas and is primarily funded through user charges.

Water Utility Fund

This Enterprise Fund accounts for the operation of five water system districts: North San José, Evergreen, Coyote Valley, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

Willow Glen Community Benefit Improvement District Fund

This Special Revenue Fund accounts for monies received from assessment of properties within the district boundaries and used on enhanced services and activities through enhanced maintenance and cleaning of sidewalk areas, information and safety services, and beautification activities beyond those provided by the City.

Workforce Development Fund

This Special Revenue Fund accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.

GLOSSARY OF TERMS

Accrual Basis

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Amortization

The process of spreading out the cost of an expense or investment over time.

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Audit

The methodical examination and verification of financial records, transactions, and processes to ensure accuracy, compliance with regulations, and proper use of funds.

Balanced Budget

Budgeted revenue levels are equivalent to budgeted expenditure levels, including use of reserves and fund balance.

Base Budget

The ongoing expense level necessary to maintain service levels previously authorized by the City Council.

Bonds

A written promise to pay a specified sum of money (called the face value or principal amount), at a specified date or dates in the future (called maturity dates) together with a periodic interest at a specific rate. Used to secure funds for specific projects or expenses.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Expenditures

Expenditures to acquire, rehabilitate, or construct general fixed assets and major improvements.

Capital Improvement Program (CIP)

On December 18, 1986, the City Council, in order to delineate the purpose of the Five-Year Capital Improvement Plan, adopted the following definition: The Five-Year Capital Improvement Plan (Program) is a long-range study of financial wants, needs, expected revenues, and policy intentions. It provides the necessary information for prudent budget recommendations. It compares the organization's various needs over a period of five years with the various anticipated revenues and puts them into a single focus for analytical purposes. It is not law, such as an annual budget, but a planning tool that provides a collection of facts, trends, and suggestions to the City Administration and Council. After it is adopted by the City Council, it is a non-binding assertion of future intent only. However, when an appropriation for the annual capital budget is adopted as part of the regular budget, it represents the amount which will be used to implement part of the Program in the coming year.

GLOSSARY OF TERMS

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are six CSAs, five of which deliver direct services (Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services). The sixth, Strategic Support, represents functions that provide guidance and support contributing to the delivery of direct services.

CSA Primary Partners

City departments with Core Services most directly responsible for overall CSA service delivery.

CSA Outcome

A desirable overall condition or "Picture of Success." At the CSA level, the specified outcomes are the "ends" toward which the plans, efforts, resources, and results of the CSA are directed.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, or shortfalls in revenue.

Contractual Services

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

Core Services

The City departments' key lines of business. Core Services produce the primary deliverables of a department.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt. A complete discussion of the City's Debt Service Obligations as well as a description of its Debt Management Policy are included in the Budget Policies and Practices section.

Deficit

Occurs when expenditures exceed revenues, in a given period.

Encumbrance

Financial commitments, such as purchase orders or contracts, which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Enterprise Fund

A fund, similar to those found in the private sector, structured to be revenue generating and self-supporting (e.g., utility, gas, airport, etc.).

GLOSSARY OF TERMS

Fiduciary Fund

Used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary Funds are classified as Pension Trust Funds, Private-Purpose Trust Funds, and Agency Funds.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

General Fund

The primary operating fund used to account for all the revenues and expenditures of the City, which are not related to special or capital funds.

Governmental Fund

Typically used to account for governmental activities. Governmental Funds include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers, and other infrastructure, forecast maintenance needs, and project future replacement expenditures.

Mission

A unifying statement of why an organization exists.

Modified Accrual Basis

Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period.

Non-Personal/Equipment Expenses

Operating costs which are not related to personnel, such as supplies, training, contract services, utilities, and vehicles.

Ongoing Cost/Savings

The 12-month value of partial year additions or reductions.

Operating Budget

An annual financial plan for the provision of direct services and support functions to the community. Per the City Charter, it shall begin with a clear general summary of its contents; shall show in detail all estimated income, including the amount proposed to be raised by property taxation, estimated unencumbered balances of funds to be carried over from the preceding year, estimated unencumbered available reserves, and all proposed expenditures, including debt service for the ensuing year.

GLOSSARY OF TERMS

Operational Services

Elements necessary to accomplish the Core Services of the organization; the "front line" of service delivery.

Overhead

Administrative costs associated with city-wide operations, which cannot be attributed to any specific department (such as Finance or Human Resources). These costs are subject to a city-wide overhead cost allocation plan to distribute costs on an equitable basis to departments and funds that are the beneficiaries of such expenses.

Performance Measure

Measures the results of services delivered to customers. Performance measures fall into the four Key Measurement Areas of Quality, Cost, Cycle Time, and Customer Satisfaction. Performance measures are developed at the CSA, Core Service, and Operational Service levels.

Performance Measure Goals and Targets

Quantitative benchmarks for each Performance Measure (PM). PM Goals represent the optimum performance level, or the long-range planned level of performance identified in the CSA Overview. PM Targets, for CSAs and departmental Core Services, represent the one-year performance level commitment, given allocated resources.

Personal Services

Salary and fringe benefit costs of City employees.

Program

A group of people working together to deliver a discrete service to identifiable users as part of an operational service.

Proprietary Fund

Used to account for services charged to external or internal customers through fees. Proprietary Funds are classified as either Enterprise Funds or Internal Service Funds. The City accounts for its airport, wastewater treatment, water supply, and parking management operations as Enterprise Funds. The City uses the Internal Service Funds to account for the employee benefits, cost for operating a vehicle maintenance facility, and the public works support program.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Special Funds

Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.

Strategic Goals/Objectives

Represent elements or sub-elements of a strategic plan. The City's planned response to address service delivery needs and priorities. Strategic Goals and Objectives are guided by the related Outcomes, but represent only the City's contribution toward those Outcomes. Strategic Goals and Objectives also determine how the City's Core Services, Operational Services, and special projects should be aligned and directed toward producing the planned service delivery response.

Strategic Support

Includes various functions that support and/or guide delivery of direct services. Examples include financial and human resources administration, purchasing and training, as well as strategic leadership and policy development.

Successor Agency

Successor Agency to the former San Jose Redevelopment Agency, a public entity.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.

ACRONYMS INDEX

A	**ACFR**	Annual Comprehensive Financial Report
	ARFF	Airport Rescue and Fire Fighting
	ARP	American Rescue Plan
B	**BART**	Bay Area Rapid Transit
C	**CAD**	Computer-Aided Dispatch System
	CAFR	Comprehensive Annual Financial Report
	CDBG	Community Development Block Grant
	CDDD	Construction and Demolition Diversion Deposit
	CDI	Community Development Improvements
	CED	Community and Economic Development CSA
	CEQA	California Environmental Quality Act
	CFC	Customer Facility Charges
	CIP	Capital Improvement Program
	CPE	Cost Per Enplaned Passenger
	CPMS	Capital Project Management System
	CSA	City Service Area
	CVB	Convention and Visitors Bureau
D	**DMV**	Department of Motor Vehicles
E	**EUS**	Environmental and Utility Services CSA
	EIR	Environmental Impact Report
	EMS	Emergency Medical Services
	EOC	Emergency Operations Center
	EPA	Environmental Protection Agency
F	**FAA**	Federal Aviation Administration
	FCERS	Federated City Employee Retirement System
	FEMA	Federal Emergency Management Agency
	FEHA	Fair Employment and Housing Act
	FF&E	Fixtures, Furnishings, and Equipment
	FMS	Financial Management System
	FT	Full-Time
	FTE	Full-Time Equivalent
G	**GAAP**	Generally Accepted Accounting Principles
	GASB	Government Accounting Standards Board
	GFOA	Government Finance Officers Association
	GIS	Geographic Information System
H	**HUD**	Housing and Urban Development
	HVAC	Heating, Ventilation, and Air Conditioning

ACRONYMS INDEX

I	**I&I**	Inflow and Infiltration
	ICC	International Code Council
	ICMA	International City/County Management Association
	IDC	International Disposal Corporation
	ITD	Information Technology Department
J		
K		
L		
M	**MBA**	Manager's Budget Addendum
	MWS	Municipal Water System (San José)
N	**NIMS**	National Incident Management System
	NPDES	National Pollutant Discharge Elimination System
	NS	Neighborhood Services CSA
O	**O&M**	Operations and Maintenance
	OBAG	One Bay Area Grant
	OEDCA	Office of Economic Development and Cultural Affairs
P	**P&F**	Police and Fire
	PBCE	Planning, Building and Code Enforcement
	PBID	Property and Business Improvement District Fund
	PCI	Pavement Condition Index
	PDO	Parkland Dedication Ordinance
	PFC	Passenger Facility Charge
	PG&E	Pacific Gas and Electric Company
	PIO	Park Impact Ordinance
	PM	Performance Measure
	PMMS	Parks Maintenance Management System
	POSSO	Portuguese Organization for Social Services Opportunities
	PS	Public Safety CSA
	PT	Part-Time
Q		
R	**RFP**	Request for Proposal
	RFQ	Request for Quote
	RLF	Revolving Loan Fund
	ROPS	Recognized Obligation Payments Schedule
	RWF	Regional Wastewater Facility

ACRONYMS INDEX

S	**SBWR**	South Bay Water Recycling
	SCVWD	Santa Clara Valley Water District (now known as Valley Water)
	SJC	San José Mineta International Airport
	SJDA	San José Downtown Association
	SJPD	San José Police Department
	SJSU	San José State University
	SS	Strategic Support CSA
T	**TAS**	Transportation and Aviation Services CSA
	THUD	Transportation, and Housing and Urban Development, and Related Agencies
	TOT	Transient Occupancy Tax
	TSA	Transportation Security Administration
U	**URMP**	Urban Runoff Management Plan
	USPTO	United States Patent and Trademark Office
V	**VoIP**	Voice over Internet Protocol
	VTA	Valley Transportation Authority (Santa Clara)
W	**WIB**	Workforce Investment Board (work2future Board)
	WPCP	Water Pollution Control Plant (San José/Santa Clara) (name changed to San José/Santa Clara Regional Wastewater Facility)
X		
Y		
Z		

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
GENERAL FUND			
Fund Balance			
Encumbrance Reserve	$ 84,474,436	$ 97,572,603	$ 85,371,421
Carryover	576,480,540	356,310,735	145,774,155
Beginning Fund Balance	660,954,976	453,883,338	231,145,576
General Revenue			
Property Tax	495,000,000	536,500,000	548,000,000
Sales Tax	352,000,000	340,000,000	310,700,000
Transient Occupancy Tax	16,000,000	18,000,000	24,750,000
Franchise Fees	55,022,632	58,988,263	58,444,026
Utility Tax	136,000,000	143,800,000	145,150,000
Business Taxes	87,000,000	85,000,000	90,551,000
Real Property Transfer Tax	0	0	0
Telephone Line Tax	22,000,000	22,000,000	22,000,000
Licenses and Permits	21,818,390	22,574,591	22,355,627
Fines, Forfeitures, and Penalties	17,604,797	15,280,000	18,777,500
Fees, Rates, and Charges	27,808,860	32,270,988	31,513,599
Revenue from the Use of Money/Property	18,735,000	21,935,000	20,000,000
Revenue from Local Agencies	19,077,112	22,132,609	18,705,579
Revenue from the State of CA	36,803,135	31,982,501	11,500,000
Revenue from Federal Government	15,527,645	7,249,884	1,762,686
Other Revenue	9,560,067	12,392,952	11,632,345
Subtotal General Revenue	1,329,957,638	1,370,106,788	1,335,842,362
Transfers and Reimbursements			
Overhead Reimbursements	87,108,786	88,841,958	86,050,673
Transfers	32,878,526	36,052,870	42,889,716
Reimbursements for Services	19,227,186	20,973,108	19,277,991
Subtotal Transfers and Reimbursements	139,214,498	145,867,936	148,218,380
Total General Fund	**2,130,127,112**	**1,969,858,062**	**1,715,206,318**
Less Transfers, Loans, and Contributions	(376,784,247)	(229,958,488)	(184,388,674)
NET GENERAL FUND TOTAL	**$ 1,753,342,865**	**$ 1,739,899,574**	**$ 1,530,817,644**
SPECIAL FUNDS			
Affordable Housing Impact Fee Fund	7,769,050	10,619,143	7,389,913
Airport Customer Facility and Transportation Fee Fund	40,147,607	40,779,734	43,795,145
Airport Fiscal Agent Fund	152,667,041	157,036,694	157,087,951
Airport Maintenance and Operation Fund	181,155,462	185,060,628	187,297,016
Airport Revenue Fund	358,570,888	381,040,891	392,564,564
Airport Surplus Revenue Fund	54,873,403	36,315,185	31,677,321
Alameda Community Benefit Improvement District Fund	0	0	328,853
Benefit Funds - Benefit Fund	105,874,001	117,522,793	123,002,469
Benefit Funds - Dental Insurance Fund	17,267,026	17,301,796	15,886,663
Benefit Funds - Life Insurance Fund	2,583,068	2,720,781	2,618,879

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
SPECIAL FUNDS			
Benefit Funds - Unemployment Insurance Fund	$ 1,544,080	$ 1,596,762	$ 1,640,726
Building Development Fee Program Fund	69,675,107	70,869,731	74,878,656
Building Homes and Jobs Act Fund	6,992,585	377,065	3,522,393
Business Improvement District Fund	4,190,871	4,090,575	5,424,902
Cash Reserve Fund	6,672	6,866	7,188
City Hall Debt Service Fund	25,205,000	25,209,000	24,910,000
Citywide Planning Fee Program Fund	7,999,161	7,666,186	8,504,758
Community Development Block Grant Fund	19,554,105	19,957,827	16,328,109
Convention and Cultural Affairs Fund	16,848,409	22,844,678	21,134,461
Convention Center Facilities District Revenue Fund	39,622,334	42,271,346	46,262,433
Downtown Property and Business Improvement District Fund	8,177,110	8,596,816	8,915,280
Economic Development Administration Loan Fund	7,670	7,928	8,194
Edward Byrne Memorial Justice Assistance Grant Trust Fund	1,073,048	1,021,020	196,453
Emergency Reserve Fund	3,958,632	13,757,918	5,118,658
Federal Drug Forfeiture Fund	426,992	517,132	29,453
Fire Development Fee Program Fund	11,569,593	11,455,432	13,218,759
Gas Tax Maintenance and Construction Fund - 1943	8,400,000	9,100,000	8,300,000
Gas Tax Maintenance and Construction Fund - 1964	3,700,000	4,100,000	3,700,000
Gas Tax Maintenance and Construction Fund - 1990	6,300,000	6,800,000	6,300,000
General Purpose Parking Fund	22,893,371	22,953,610	27,135,431
Gift Trust Fund	1,276,463	860,486	887,413
Home Investment Partnership Program Trust Fund	22,963,797	14,268,233	8,093,995
Homeless Housing, Assistance, and Prevention Fund	43,499,427	35,188,413	33,123,863
Housing Trust Fund	4,132,987	4,101,581	3,727,373
Ice Centre Revenue Fund	10,395,143	11,342,139	12,602,819
Inclusionary Fee Fund	50,160,394	49,618,525	14,289,189
Integrated Waste Management Fund	250,884,699	268,649,745	279,313,245
Library Parcel Tax Fund	13,435,826	15,377,969	14,957,075
Low and Moderate Income Housing Asset Fund	127,768,090	139,622,972	119,445,154
Multi-Source Housing Fund	36,604,942	40,808,714	46,783,045
Municipal Golf Course Fund	1,657,680	2,718,806	4,251,620
Planning Development Fee Program Fund	11,255,947	10,736,930	13,740,654
Public Works Development Fee Program Fund	21,167,099	22,851,840	31,393,889
Public Works Program Support Fund	27,723,346	32,181,627	36,089,117
Public Works Small Cell Permitting Fee Program Fund	104,110	550,841	0
Real Property Transfer Tax Fund	185,494,777	197,277,769	127,184,161
Rent Stabilization Program Fee Fund	5,897,738	5,632,239	6,493,745
San José Arena Capital Reserve Fund	8,619,355	6,802,226	1,415,346
San José Clean Energy Operating Fund	841,621,521	829,891,081	632,886,667
San José Opioid Response Fund	345,000	1,622,729	2,137,750
San José-Santa Clara Treatment Plant Income Fund	1,442,526	1,808,312	2,111,501
San José-Santa Clara Treatment Plant Operating Fund	223,627,280	238,845,455	251,929,134
Sewage Treatment Plant Connection Fee Fund	25,729,835	29,576,449	32,113,588
Sewer Service and Use Charge Fund	266,852,532	276,148,116	271,188,611

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
SPECIAL FUNDS			
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	$ 897,115	$ 995,885	$ 774,136
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	2,582,451	2,388,814	2,423,990
Community Facilities District No. 8 (Communications Hill) Fund	2,217,268	2,257,287	2,750,495
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	156,549	201,618	243,166
Community Facilities District No. 12 (Basking Ridge) Fund	374,692	375,113	461,344
Community Facilities District No. 13 (Guadalupe Mines) Fund	440,954	473,309	503,380
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	2,013,186	2,074,718	2,174,174
Community Facilities District No. 15 (Berryessa - Sierra) Fund	815,027	817,568	852,324
Community Facilities District No. 16 (Raleigh - Coronado) Fund	1,850,453	2,110,862	2,256,287
Community Facilities District No. 17 (Capitol Expy - Evergreen Place	434,535	420,723	404,918
Maint. District No. 1 (Los Paseos) Fund	987,108	1,205,459	1,410,739
Maint. District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	254,063	202,417	182,799
Maint. District No. 5 (Orchard Parkway - Plumeria Dr.) Fund	258,980	239,533	231,892
Maint. District No. 8 (Zanker - Montague) Fund	182,454	191,887	180,642
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	543,420	545,052	554,564
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	244,779	233,660	216,729
Maint. District No. 13 (Karina - O'Nel) Fund	279,485	329,492	361,814
Maint. District No. 15 (Silver Creek Valley) Fund	2,370,232	2,617,164	2,632,494
Maint. District No. 18 (The Meadowlands) Fund	344,428	402,344	470,997
Maint. District No. 19 (River Oaks Area Landscaping) Fund	429,568	450,130	495,036
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	105,364	110,101	134,068
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	377,063	429,815	439,277
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	181,303	178,246	190,376
South Bay Water Recycing Operating Fund	27,031,463	35,035,544	39,953,727
St. James Park Management District Fund	4,187,659	3,869,135	3,470,702
State Drug Forfeiture Fund	1,149,290	1,661,803	0
Storm Sewer Operating Fund	59,973,436	57,931,778	51,899,959
Supplemental Law Enforcement Services Fund	6,829,430	4,216,743	3,098,653
Transient Occupancy Tax Fund	29,749,158	32,244,924	32,581,388
Vehicle Maintenance and Operations Fund	54,337,997	49,138,102	39,743,838
Water Utility Fund	92,691,731	104,030,871	107,597,666
Willow Glen Community Benefit Improvement District Fund	0	485,712	516,040
Workforce Development Fund	11,123,271	9,308,750	10,214,612
Total Special Funds	**3,667,126,712**	**3,775,255,293**	**3,492,765,808**
Less Transfers, Loans, and Contributions	(729,289,517)	(695,882,565)	(732,897,767)
NET SPECIAL REVENUE FUNDS TOTAL	**$ 2,937,837,195**	**$ 3,079,372,728**	**$ 2,759,868,041**

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Beginning Fund Balance	$ 775,367,981	$ 625,884,227	$ 631,293,633
Commercial Paper Proceeds/Sale of Bonds	65,531,000	263,451,000	13,000,000
Taxes, Fees, and Charges	99,145,000	101,755,000	105,805,000
Revenue from Other Agencies	241,745,101	241,788,502	209,730,653
Transfers, Loans, and Contributions	241,131,150	184,220,936	186,307,000
Interest Income	19,539,000	26,224,000	27,078,000
Miscellaneous Revenue	489,000	489,000	3,766,000
Development Contribution	1,500,000	710,000	710,000
Total Capital Improvement Program Funds	**1,444,448,232**	**1,444,522,665**	**1,177,690,286**
Less Transfers, Loans, and Contributions	(6,952,000)	(7,377,000)	(4,442,000)
NET CAPITAL FUNDS TOTAL	**$ 1,437,496,232**	**$ 1,437,145,665**	**$ 1,173,248,286**
NET CITY SOURCE OF FUNDS	**$ 6,128,676,292**	**$ 6,256,417,967**	**$ 5,463,933,971**
GENERAL FUND EXPENDITURES			
City Attorney	19,031,941	19,980,291	19,267,784
City Auditor	2,940,006	3,147,486	2,862,745
City Clerk	3,811,716	4,014,590	3,786,629
City Manager	23,980,147	26,212,997	25,114,238
Economic Development and Cultural Affairs	7,666,657	8,405,938	7,316,990
Energy	0	1,303,395	1,366,998
Environmental Services	6,262,243	4,605,316	4,477,711
Finance	24,293,996	24,334,285	24,820,796
Fire	296,419,963	298,201,673	306,270,454
Housing	667,969	636,996	766,592
Human Resources	15,386,206	15,151,068	14,770,246
Independent Police Auditor	1,645,463	1,665,341	1,687,135
Information Technology	34,559,401	35,431,411	39,808,347
Library	50,726,758	52,107,517	50,164,428
Mayor and City Council	18,136,210	19,544,867	16,179,486
Parks, Recreation and Neighborhood Services	143,866,123	141,574,457	160,690,422
Planning, Building and Code Enforcement	18,990,561	19,796,106	19,738,249
Police	543,970,677	574,132,056	614,983,793
Public Works	54,957,823	57,620,350	41,575,068
Transportation	51,568,417	55,804,573	54,969,292
Subtotal Departmental Charges	1,318,882,277	1,363,670,713	1,410,617,403
City-Wide Expenses	181,553,595	134,152,828	105,498,997
Capital Contributions	76,031,150	47,811,936	14,275,000
Transfers	161,538,599	36,278,616	23,260,294
Earmarked Reserves	257,647,055	237,371,366	25,183,203
Contingency Reserve	50,000,000	53,000,000	51,000,000
Encumbrance Reserve	84,474,436	97,572,603	85,371,421
Subtotal Non-Departmental Charges	811,244,835	606,187,349	304,588,915
Total General Fund Expenditures	**$ 2,130,127,112**	**$ 1,969,858,062**	**$ 1,715,206,318**

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
SPECIAL FUNDS			
Affordable Housing Impact Fee Fund	$ 7,769,050	$ 10,619,143	$ 7,389,913
Airport Customer Facility and Transportation Fee Fund	40,147,607	40,779,734	43,795,145
Airport Fiscal Agent Fund	152,667,041	157,036,694	157,087,951
Airport Maintenance and Operation Fund	181,155,462	185,060,628	187,297,016
Airport Revenue Fund	358,570,888	381,040,891	392,564,564
Airport Surplus Revenue Fund	54,873,403	36,315,185	31,677,321
Alameda Community Benefit Improvement District Fund	0	0	328,853
American Rescue Plan Fund	0	0	0
Benefit Funds - Benefit Fund	105,874,001	117,522,793	123,002,469
Benefit Funds - Dental Insurance Fund	17,267,026	17,301,796	15,886,663
Benefit Funds - Life Insurance Fund	2,583,068	2,720,781	2,618,879
Benefit Funds - Unemployment Insurance Fund	1,544,080	1,596,762	1,640,726
Building Development Fee Program Fund	69,675,107	70,869,731	74,878,656
Building Homes and Jobs Act Fund	6,992,585	377,065	3,522,393
Business Improvement District Fund	4,190,871	4,090,575	5,424,902
Cash Reserve Fund	6,672	6,866	7,188
City Hall Debt Service Fund	25,205,000	25,209,000	24,910,000
Citywide Planning Fee Program Fund	7,999,161	7,666,186	8,504,758
Community Development Block Grant Fund	19,554,105	19,957,827	16,328,109
Convention and Cultural Affairs Fund	16,848,409	22,844,678	21,134,461
Convention Center Facilities District Revenue Fund	39,622,334	42,271,346	46,262,433
Downtown Property and Business Improvement District Fund	8,177,110	8,596,816	8,915,280
Economic Development Administration Loan Fund	7,670	7,928	8,194
Edward Byrne Memorial Justice Assistance Grant Trust Fund	1,073,048	1,021,020	196,453
Emergency Reserve Fund	3,958,632	13,757,918	5,118,658
Federal Drug Forfeiture Fund	426,992	517,132	29,453
Fire Development Fee Program Fund	11,569,593	11,455,432	13,218,759
Gas Tax Maintenance and Construction Fund - 1943	8,400,000	9,100,000	8,300,000
Gas Tax Maintenance and Construction Fund - 1964	3,700,000	4,100,000	3,700,000
Gas Tax Maintenance and Construction Fund - 1990	6,300,000	6,800,000	6,300,000
General Purpose Parking Fund	22,893,371	22,953,610	27,135,431
Gift Trust Fund	1,276,463	860,486	887,413
Home Investment Partnership Program Trust Fund	22,963,797	14,268,233	8,093,995
Homeless Housing, Assistance, and Prevention Fund	43,499,427	35,188,413	33,123,863
Housing Trust Fund	4,132,987	4,101,581	3,727,373
Ice Centre Revenue Fund	10,395,143	11,342,139	12,602,819
Inclusionary Fee Fund	50,160,394	49,618,525	14,289,189
Integrated Waste Management Fund	250,884,699	268,649,745	279,313,245
Library Parcel Tax Fund	13,435,826	15,377,969	14,957,075
Low and Moderate Income Housing Asset Fund	127,768,090	139,622,972	119,445,154
Multi-Source Housing Fund	36,604,942	40,808,714	46,783,045
Municipal Golf Course Fund	1,657,680	2,718,806	4,251,620

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
SPECIAL FUNDS			
Planning Development Fee Program Fund	$ 11,255,947	$ 10,736,930	$ 13,740,654
Public Works Development Fee Program Fund	21,167,099	22,851,840	31,393,889
Public Works Program Support Fund	27,723,346	32,181,627	36,089,117
Public Works Small Cell Permitting Fee Program Fund	104,110	550,841	0
Real Property Transfer Tax Fund	185,494,777	197,277,769	127,184,161
Rental Stabilization Program Fee Fund	5,897,738	5,632,239	6,493,745
San José Arena Capital Reserve Fund	8,619,355	6,802,226	1,415,346
San José Clean Energy Operating Fund	841,621,521	829,891,081	632,886,667
San José Opioid Response Fund	345,000	1,622,729	2,137,750
San José-Santa Clara Treatment Plant Income Fund	1,442,526	1,808,312	2,111,501
San José-Santa Clara Treatment Plant Operating Fund	223,627,280	238,845,455	251,929,134
Sewage Treatment Plant Connection Fee Fund	25,729,835	29,576,449	32,113,588
Sewer Service and Use Charge Fund	266,852,532	276,148,116	271,188,611
Special Assessment Maintenance District Funds:			
Community Facilities District No. 1 (Capitol Auto Mall) Fund	897,115	995,885	774,136
Community Facilities District No. 2 (Aborn - Murillo) and No. 3 (Silverland - Capriana) Fund	2,582,451	2,388,814	2,423,990
Community Facilities District No. 8 (Communications Hill) Fund	2,217,268	2,257,287	2,750,495
Community Facilities District No. 11 (Adeline - Mary Helen) Fund	156,549	201,618	243,166
Community Facilities District No. 12 (Basking Ridge) Fund	374,692	375,113	461,344
Community Facilities District No. 13 (Guadalupe Mines) Fund	440,954	473,309	503,380
Community Facilities District No. 14 (Raleigh - Charlotte) Fund	2,013,186	2,074,718	2,174,174
Community Facilities District No. 15 (Berryessa - Sierra) Fund	815,027	817,568	852,324
Community Facilities District No. 16 (Raleigh - Coronado) Fund	1,850,453	2,110,862	2,256,287
Community Facilities District No. 17 (Capitol Expy - Evergreen Place	434,535	420,723	404,918
Maint. District No. 1 (Los Paseos) Fund	987,108	1,205,459	1,410,739
Maint. District No. 2 (Trade Zone - Lundy Ave.) Fund	254,063	202,417	182,799
Maint. District No. 5 (Orchard Parkway - Plumeria Drive) Fund	258,980	239,533	231,892
Maint. District No. 8 (Zanker - Montague) Fund	182,454	191,887	180,642
Maint. District No. 9 (Santa Teresa - Great Oaks) Fund	543,420	545,052	554,564
Maint. District No. 11 (Brokaw Rd. from Junction Ave. to Old Oakland Rd.) Fund	244,779	233,660	216,729
Maint. District No. 13 (Karina - Onel) Fund	279,485	329,492	361,814
Maint. District No. 15 (Silver Creek Valley) Fund	2,370,232	2,617,164	2,632,494
Maint. District No. 18 (The Meadowlands) Fund	344,428	402,344	470,997
Maint. District No. 19 (River Oaks Area Landscaping) Fund	429,568	450,130	495,036
Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	105,364	110,101	134,068
Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	377,063	429,815	439,277
Maint. District No. 22 (Hellyer Ave. - Silver Creek Valley Rd.) Fund	181,303	178,246	190,376
South Bay Water Recycing Operating Fund	27,031,463	35,035,544	39,953,727
St. James Park Management District Fund	4,187,659	3,869,135	3,470,702
State Drug Forfeiture Fund	1,149,290	1,661,803	0
Storm Sewer Operating Fund	59,973,436	57,931,778	51,899,959
Supplemental Law Enforcement Services Fund	6,829,430	4,216,743	3,098,653
Transient Occupancy Tax Fund	29,749,158	32,244,924	32,581,388
Vehicle Maintenance and Operations Fund	54,337,997	49,138,102	39,743,838

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
SPECIAL FUNDS			
Water Utility Fund	$ 92,691,731	$ 104,030,871	$ 107,597,666
Workforce Development Fund	11,123,271	9,308,750	10,214,612
Willow Glen Community Benefit Improvement District Fund	0	485,712	516,040
Total Special Funds	**$ 3,667,126,712**	**$ 3,775,255,293**	**$ 3,492,765,808**
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Airport Capital Improvement Fund	48,279,140	19,167,174	32,472,958
Airport Passenger Facility Charge Fund	54,880,097	49,608,199	45,462,341
Airport Renewal and Replacement Fund	130,781,043	86,531,373	127,785,786
Airport Revenue Bond Improvement Fund	35,500,000	2,373,416	294,992
Branch Libraries Bond Projects Fund	5,543,646	4,831,435	0
Building and Structure Construction Tax Fund	157,395,961	179,217,760	161,012,430
Construction and Conveyance Tax Funds:			
Communications C&C Tax Fund	6,568,535	7,608,521	5,070,415
District 1 Parks C&C Tax Fund	4,897,102	3,215,817	1,454,864
District 2 Parks C&C Tax Fund	2,060,000	2,166,043	1,941,047
District 3 Parks C&C Tax Fund	1,718,782	1,672,960	703,308
District 4 Parks C&C Tax Fund	3,311,229	3,227,877	3,078,923
District 5 Parks C&C Tax Fund	4,472,314	5,103,689	2,674,423
District 6 Parks C&C Tax Fund	4,638,578	4,002,399	2,784,003
District 7 Parks C&C Tax Fund	5,204,098	5,904,787	5,042,216
District 8 Parks C&C Tax Fund	3,990,747	4,240,881	3,121,424
District 9 Parks C&C Tax Fund	6,170,801	5,519,134	2,612,932
District 10 Parks C&C Tax Fund	1,426,669	1,207,680	835,354
Fire C&C Tax Fund	10,496,067	11,249,000	4,497,268
Library C&C Tax Fund	23,525,812	17,484,558	14,964,108
Park Yards C&C Tax Fund	5,683,397	5,572,187	4,117,572
Parks Central C&C Tax Fund	31,460,470	36,186,086	34,480,240
Parks City-Wide C&C Tax Fund	24,453,499	16,005,267	4,675,596
Service Yards C&C Tax Fund	14,655,225	10,371,633	4,270,856
Construction Excise Tax Fund	173,814,858	181,019,932	40,880,906
Contingent Lien District Fund	3,241,032	0	0
Convention and Cultural Affairs Capital Fund	847,139	1,506,804	5,480,803
Convention Center Facilities District Capital Fund	2,155,195	11,971,032	19,126,944
Emma Prusch Fund	719,849	641,732	297,698
Evergreen Benefit Assessment District Fund	0	1,168,027	1,371,898
Evergreen Creek Assessment District Fund	0	1,223,926	1,363,677
Evergreen East Hills Traffic Impact Fee Fund	0	0	6,022,956
General Fund Capital Improvement	76,031,150	47,811,936	14,275,000
General Purpose Parking Capital Fund	26,710,228	19,547,364	9,356,135
Ice Center Expansion Bond Fund	0	0	0
Improvement District Fund	0	0	0
Interstate 280/Winchester Traffic Impact Fee Fund	0	0	232,000
Lake Cunningham Fund	3,366,258	4,239,096	3,798,237

TOTAL CITY SOURCE AND USE OF FUNDS

	2024-2025 Adopted	2025-2026 Adopted	2026-2027 Proposed
CAPITAL IMPROVEMENT PROGRAM FUNDS			
Library Parcel Tax Capital Fund	$ 76,108	$ 1,351,393	$ 400,000
Major Collectors and Arterial Fund	1,117,510	879,664	910,826
Major Facilities Fund	5,926,215	6,124,652	3,497,434
North San José Traffic Impact Fee Fund	0	0	22,487,146
Parks and Recreation Bond Projects Fund	16,949,926	17,064,565	18,343,236
Public Safety and Infrastructure Bond Fund - Municipal Improvements	2,400,000	1,450,246	0
Public Safety and Infrastructure Bond Fund - Parks	1,699,000	1,743,797	44,170
Public Safety and Infrastructure Bond Fund - Public Safety	73,543,884	73,885,767	38,288,451
Public Safety and Infrastructure Bond Fund - Storm Sewer	22,424,000	23,792,000	5,312,928
Public Safety and Infrastructure Bond Fund - Traffic	(25,139,800)	89,140,307	26,622,649
Residential Construction Tax Contribution Fund	3,168,239	3,444,312	3,608,696
San José-Santa Clara Treatment Plant Capital Fund	143,970,303	163,768,819	156,394,515
Sanitary Sewer Connection Fee Fund	2,170,496	3,327,257	2,226,993
Sewer Service and Use Charge Capital Improvement Fund	129,529,530	96,557,568	75,726,839
Shea Homes Advance Assessment District Fund	0	302,109	314,995
Silicon Valley Bridge Assessment District Fund	0	308,922	322,162
Silver Creek Assessment District Fund	0	212,353	221,033
South Bay Water Recycyling Capital Fund	4,249,505	4,047,616	878,714
State Gas Tax Pavement Maintenance Fund	0	0	46,676,375
Storm Drainage Fee Fund	512,076	621,483	647,781
Storm Sewer Capital Fund	45,506,328	28,342,413	34,141,388
Subdivision Park Trust Fund	81,724,737	96,897,174	80,638,408
Underground Utility Fund	12,172,530	11,457,189	12,926,314
US 101/Oakland/Mabury Traffic Impact Fee Fund	0	0	20,597,980
VRF Measure B Pavement Maintenance Fund	0	0	6,962,776
VTA Measure B Pavement Maintenance Fund	0	0	24,500,694
Water Utility Capital Fund	48,448,724	68,205,335	29,438,473
Total Capital Improvement Program Funds	**$ 1,444,448,234**	**$ 1,444,522,665**	**$ 1,177,690,286**
GRAND TOTAL (Gross City Use of Funds)	$ 7,241,702,058	$ 7,189,636,020	$ 6,385,662,412
Less Transfers, Loans, and Contributions	(1,113,025,764)	(933,218,053)	(921,728,441)
NET CITY USE OF FUNDS	**$ 6,128,676,294**	**$ 6,256,417,967**	**$ 5,463,933,971**

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

		2026-2027 Proposed
TRANSFERS TO GENERAL FUND FROM:		
Airport Maintenance and Operation Fund	$	21,921,164
Construction and Conveyance Tax Funds		8,101,000
Construction Excise Tax Fund		2,500,000
Convention and Cultural Affairs Fund		345,991
Convention Center Facilities District Revenue Fund		120,000
Gas Tax Maintenance and Construction Fund - 1943		8,300,000
Gas Tax Maintenance and Construction Fund - 1964		3,700,000
Gas Tax Maintenance and Construction Fund - 1990		6,300,000
General Purpose Parking Fund		1,835,952
Ice Centre Revenue Fund		106,000
Integrated Waste Management Fund		700,000
Lake Cunningham Fund		226,000
Municipal Golf Course Fund		1,512,000
Overhead from Various Funds		86,050,673
Other Various Operating Funds (Deferred Compensation, VEBA, Special Assessments)		1,062,991
Maint. Assessment Dist. Reimbursements		196,000
Deferred Comp. Cost Reimbursement		553,344
VEBA Reimbursement		228,647
Workforce Development Fund		85,000
Real Property Transfer Tax Fund		4,000,000
Residential Construction Tax Contribution Fund		155,000
State Gas Tax Pavement Maintenance Fund		750,000
Storm Sewer Drainage Fee Fund		35,000
Transient Occupancy Tax Fund		51,609
Vehicle Maintenance and Operations Fund		145,000
Water Utility Fund		300,000
TRANSFER TO AIRPORT FISCAL AGENT FUND FROM:		
Airport Revenue Fund		38,129,007
Airport Customer Facilities and Transportation Fee Fund		14,996,182
Airport Passenger Facility Charge Fund		20,175,000
TRANSFER TO AIRPORT MAINTENANCE AND OPERATION FUND FROM:		
Airport Revenue Fund		146,760,431
TRANSFER TO AIRPORT REVENUE FUND FROM:		
General Fund		450,000
TRANSFER TO AIRPORT SURPLUS REVENUE FUND FROM:		
Airport Revenue Fund		30,575,000

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

		2026-2027 Proposed
TRANSFER TO ALAMEDA COMMUNITY BENEFIT IMPROVEMENT FUND FROM:		
General Fund	$	8,450
TRANSFER TO BENEFIT FUNDS-BENEFIT FUND FROM:		
Various City Funds - Insurance Premium		122,583,000
TRANSFER TO BENEFIT FUNDS-DENTAL INSURANCE FUND FROM:		
Various City Funds - Insurance Premium		6,107,000
Retirement Funds		6,307,000
TRANSFER TO BENEFIT FUNDS-LIFE INSURANCE FUND FROM:		
Various City Funds - Insurance Premium		1,053,000
TRANSFER TO BENEFIT FUNDS-UNEMPLOYMENT INSURANCE FUND FROM:		
Various City Funds - Insurance Premium		650,000
TRANSFER TO CITY HALL DEBT SERVICE FUND FROM:		
General Fund		16,693,547
Capital Improvement Program Funds		1,946,000
Various City Funds		5,022,158
TRANSFER TO COMMUNITY FACILITIES DISTRICT FUNDS FROM:		
Storm Sewer Operating Fund		65,041
TRANSFER TO CONVENTION AND CULTURAL AFFAIRS FUND FROM:		
Transient Occupancy Tax Fund		13,257,365
TRANSFER TO DOWNTOWN PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FUND FROM:		
General Fund		1,419,278
General Purpose Parking Fund		77,447
TRANSFER TO MAINTENANCE DISTRICTS FUNDS FROM:		
General Fund		123,106
Storm Sewer Operating Fund		22,118
TRANSFER TO PUBLIC WORKS PROGRAM SUPPORT FUND FROM:		
Various Capital Funds		29,942,888
TRANSFER TO REAL PROPERTY TRANSFER TAX FUND FROM:		
Multi-Source Housing Fund		3,500,000

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

		2026-2027 Proposed
TRANSFER TO SAN JOSÉ/SANTA CLARA TREATMENT PLANT OPERATING FUND FROM:		
Sewer Service and Use Charge Fund	$	88,018,130
TRANSFER TO SEWER SERVICE AND USE CHARGE FUND FROM:		
South Bay Water Recycling Operating Fund		2,500,000
TRANSFER TO VEHICLE MAINTENANCE AND OPERATIONS FUND FROM:		
Departmental Charges - Operating and Maintenance Costs		28,754,000
Replacement Charges - Special Funds		7,367,000
Replacement Charges - General Fund		1,750,000
TRANSFER TO WATER UTILITY CAPITAL FUND FROM:		
Water Utility Fund		286,000
TRANSFER TO WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT FUND FROM:		
General Fund		15,913
TRANSFER TO CAPITAL IMPROVEMENT PROGRAM FUNDS FROM:		
General Fund for the following programs:		
Communications		2,800,000
Municipal Improvements		7,515,000
Public Safety		5,395,000
TRANSFER TO CAPITAL IMPROVEMENT PROGRAM FUNDS FROM:		
Airport Operating Funds		26,275,000
General Purpose Parking Operating Fund		1,200,000
Convention and Cultural Affairs Fund		5,100,000
Convention Center Facilities District Revenue Fund		14,000,000
Library Parcel Tax Fund		400,000
Parks Central Construction and Conveyance Tax Fund		4,417,000
Parks Maintenance Yards Construction and Conveyance Tax Fund		25,000
Sewer Service and Use Charge Fund		107,529,000
Storm Sewer Operating Fund		1,500,000
Water Utility Fund		8,800,000
TOTAL TRANSFERS TO:	**$**	**921,728,441**

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

	2026-2027 Proposed
TRANSFERS FROM GENERAL FUND TO:	
Airport Revenue Fund	$ 450,000
Alameda Community Benefit Improvement District Fund	8,450
City Hall Debt Service Fund	16,693,547
Downtown Property and Business Improvement District Fund	1,419,278
Maintenance Districts Funds	123,106
Various Capital Improvement Program Funds	15,710,000
Communications C&C	2,800,000
General Fund Capital Improvements	12,910,000
Vehicle Maintenance and Operations Fund	1,750,000
Willow Glen Community Benefit Improvement District Fund	15,913
TRANSFER FROM AIRPORT CUSTOMER FACILITIES AND TRANSPORTATION FEE FUND TO:	
Airport Fiscal Agent Fund	14,996,182
TRANSFER FROM AIRPORT MAINTENANCE AND OPERATION FUND TO:	
General Fund - Aircraft Rescue/Fire Fighting	8,046,961
General Fund - Police Services	13,874,203
TRANSFER FROM AIRPORT REVENUE FUND TO:	
Airport Fiscal Agent Fund	38,129,007
Airport Maintenance and Operation Fund	146,760,431
Airport Surplus Revenue Fund	30,575,000
TRANSFER FROM AIRPORT SURPLUS REVENUE FUND TO:	
Capital Improvement Program Fund	26,275,000
TRANSFER FROM VARIOUS CAPITAL IMPROVEMENT PROGRAM FUNDS TO:	
Airport Fiscal Agent Fund	20,175,000
City Hall Debt Service Fund	1,946,000
Public Works Program Support Fund	29,942,888
Various Capital Improvement Program Funds	25,000
Parks City-Wide Construction and Conveyance Tax Fund	1,473,000
TRANSFER FROM CONSTRUCTION AND CONVEYANCE TAX FUND TO:	
General Fund	8,101,000
Capital Improvement Program Fund	2,944,000
TRANSFER FROM CONSTRUCTION EXCISE TAX FUND TO:	
General Fund	2,500,000

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

	2026-2027 Proposed
TRANSFER FROM CONVENTION AND CULTURAL AFFAIRS FUND TO:	
General Fund	$ 345,991
Convention and Cultural Affairs Capital Fund	4,800,000
TRANSFER FROM CONVENTION CENTER FACILITIES DISTRICT REVENUE FUND TO:	
Capital Improvement Program Fund	14,000,000
General Fund	120,000
TRANSFER FROM GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1943 TO:	
General Fund	8,300,000
TRANSFER FROM GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1964 TO:	
General Fund	3,700,000
TRANSFER FROM GAS TAX MAINTENANCE AND CONSTRUCTION FUND - 1990 TO:	
General Fund	6,300,000
TRANSFER FROM GENERAL PURPOSE PARKING FUND TO:	
Convention Center Facility District Revenue Fund	300,000
Downtown Property and Business Improvement District Fund	77,447
General Fund	1,835,952
General Purpose Parking Capital Fund	1,200,000
TRANSFER FROM ICE CENTRE REVENUE FUND TO:	
General Fund	106,000
TRANSFER FROM LAKE CUNNINGHAM FUND TO:	
General Fund	226,000
TRANSFER FROM INTEGRATED WASTE MANAGEMENT FUND TO:	
General Fund	700,000
TRANSFER FROM LIBRARY PARCEL TAX FUND TO:	
Library Parcel Tax Capital Fund	400,000
TRANSFER FROM MULTI-SOURCE HOUSING FUND TO:	
Real Property Transfer Tax Fund	3,500,000

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

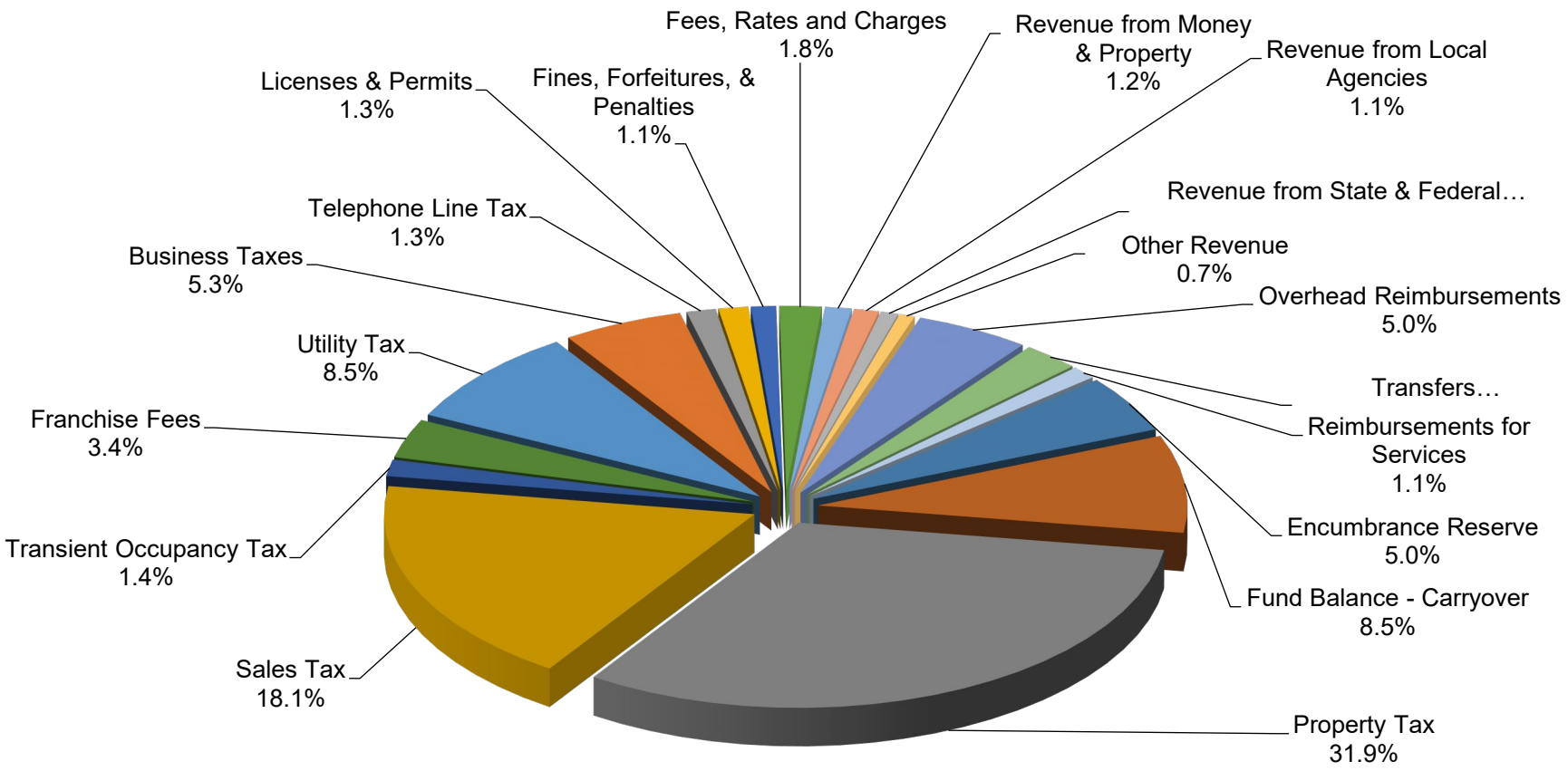
	2026-2027 Proposed
TRANSFER FROM MUNICIPAL GOLF COURSE FUND TO:	
General Fund	$ 1,512,000
TRANSFER FROM REAL PROPERTY TRANSFER TAX FUND TO:	
General Fund	4,000,000
TRANSFER FROM RESIDENTIAL CONSTRUCTION TAX CONTRIBUTION FUND TO:	
General Fund	155,000
TRANSFER FROM SEWER SERVICE AND USE CHARGE FUND TO:	
San Jose-Santa Clara Treatment Plant Capital Fund	62,529,000
San José/Santa Clara Treatment Plant Operating Fund	88,018,130
Sewer Service and Use Charge Capital Improvement Fund	45,000,000
TRANSFER FROM STATE GAS TAX PAVEMENT MAINTENANCE FUND TO:	
General Fund	750,000
TRANSFER FROM STORM DRAINAGE FEE FUND TO:	
General Fund	35,000
TRANSFER FROM STORM SEWER OPERATING FUND TO:	
Capital Improvement Program Fund	1,500,000
Community Facilities District #13 (Guadalupe-Mines) Fund	10,121
Community Facilities District #15 (Berryessa-Sierra) Fund	26,920
Community Facilities District #16 (Raleigh-Coronado) Fund	28,000
Maintenance District #15 Fund	22,118
TRANSFER FROM SOUTH BAY WATER RECYCLING OPERATING FUND TO:	
Sewer Service and Use Charge Fund	2,500,000
Water Utility Capital Fund	286,000
TRANSFER FROM TRANSIENT OCCUPANCY TAX FUND TO:	
General Fund	51,609
Convention and Cultural Affairs Fund	13,257,365
TRANSFER FROM WATER UTILITY FUND TO:	
General Fund	300,000
Capital Improvement Program Fund	8,800,000

SUMMARY OF TRANSFERS, LOANS, & CONTRIBUTIONS

		2026-2027 Proposed
TRANSFER FROM VARIOUS CITY FUNDS TO:		
Benefit Funds - Benefit Fund	$	122,583,000
Benefit Funds - Dental Insurance Fund		12,414,000
Benefit Funds - Life Insurance Fund		1,053,000
Benefit Funds - Unemployment Insurance Fund		650,000
City Hall Debt Service Funds		5,022,158
General Fund - Interest		145,000
General Fund - Operating Transfers		85,000
General Fund - Overhead		86,050,673
General Fund - Reimbursements		977,991
Vehicle Maintenance and Operations Fund		36,121,000
TOTAL TRANSFERS FROM:	**$**	**921,728,441**

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CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES



TOTAL GENERAL FUND SOURCES $1,715,206,318

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2024-2025 Actuals	2 2025-2026 Adopted Budget	3 2025-2026 Modified Budget*	4 2026-2027 Forecast Budget	5 2026-2027 Proposed Budget	2 TO 5 % Increase/ (Decrease)
FUND BALANCE						
Encumbrance Reserve	$ 97,572,603	$ 97,572,603	$ 85,371,421	$ 85,371,421	$ 85,371,421	(12.5%)
Carryover	383,680,865	356,310,735	378,171,928	98,500,000	145,774,155	(59.1%)
Total Fund Balance	**$ 481,253,468**	**$ 453,883,338**	**$ 463,543,349**	**$ 183,871,421**	**$ 231,145,576**	**(49.1%)**
GENERAL REVENUE						
Property Tax	$ 498,478,297	$ 536,500,000	$ 522,500,000	$ 548,000,000	$ 548,000,000	2.1%
Sales Tax	331,430,656	340,000,000	340,000,000	310,700,000	310,700,000	(8.6%)
Transient Occupancy Tax	17,212,205	18,000,000	18,000,000	18,000,000	24,750,000	37.5%
Franchise Fees	58,458,709	58,988,263	58,988,263	58,038,263	58,444,026	(0.9%)
Utility Tax	139,896,807	143,800,000	142,450,000	145,150,000	145,150,000	0.9%
Business Taxes	87,693,311	85,000,000	85,000,000	90,000,000	90,551,000	6.5%
Telephone Line Tax	21,989,227	22,000,000	22,000,000	22,000,000	22,000,000	0.0%
Licenses and Permits	22,266,806	22,574,591	21,924,689	21,412,282	22,355,627	(1.0%)
Fines, Forfeitures, and Penalties	19,740,923	15,280,000	15,280,000	18,610,000	18,777,500	22.9%
Fees, Rates, and Charges	26,305,211	32,270,988	32,270,988	29,220,875	31,513,599	(2.3%)
Revenue from Use of Money/Property	20,214,200	21,935,000	21,955,000	19,500,000	20,000,000	(8.8%)
Revenue from Local Agencies	22,201,684	22,132,609	24,246,187	18,232,004	18,705,579	(15.5%)
Revenue from the State of California	39,382,713	31,982,501	46,137,451	11,500,000	11,500,000	(64.0%)
Revenue from Federal Government	6,433,084	7,249,884	8,732,687	0	1,762,686	(75.7%)
Other Revenue	19,803,291	12,392,952	14,034,076	11,486,625	11,632,345	(6.1%)
Total General Revenue	**$ 1,331,507,124**	**$ 1,370,106,788**	**$ 1,373,519,341**	**$ 1,321,850,049**	**$ 1,335,842,362**	**(2.5%)**

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND SOURCES

SOURCE OF FUNDS (Cont'd.)	1 2024-2025 Actuals	2 2025-2026 Adopted Budget	3 2025-2026 Modified Budget*	4 2026-2027 Forecast Budget	5 2026-2027 Proposed Budget	2 TO 5 % Increase/ (Decrease)
TRANSFERS AND REIMBURSEMENTS						
Overhead Reimbursements	$ 87,516,288	$ 88,841,958	$ 88,841,958	$ 85,922,297	$ 86,050,673	(3.1%)
Transfers	36,745,418	36,052,870	38,372,894	37,942,716	42,889,716	19.0%
Reimbursements for Services	19,177,753	20,973,108	20,973,108	19,277,991	19,277,991	(8.1%)
Total Transfers and Reimbursements	**$ 143,439,459**	**$ 145,867,936**	**$ 148,187,960**	**$ 143,143,004**	**$ 148,218,380**	**1.6%**
TOTAL SOURCE OF FUNDS	**$ 1,956,200,051**	**$ 1,969,858,062**	**$ 1,985,250,650**	**$ 1,648,864,474**	**$ 1,715,206,318**	**(12.9%)**

* As of March 31, 2026

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CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES

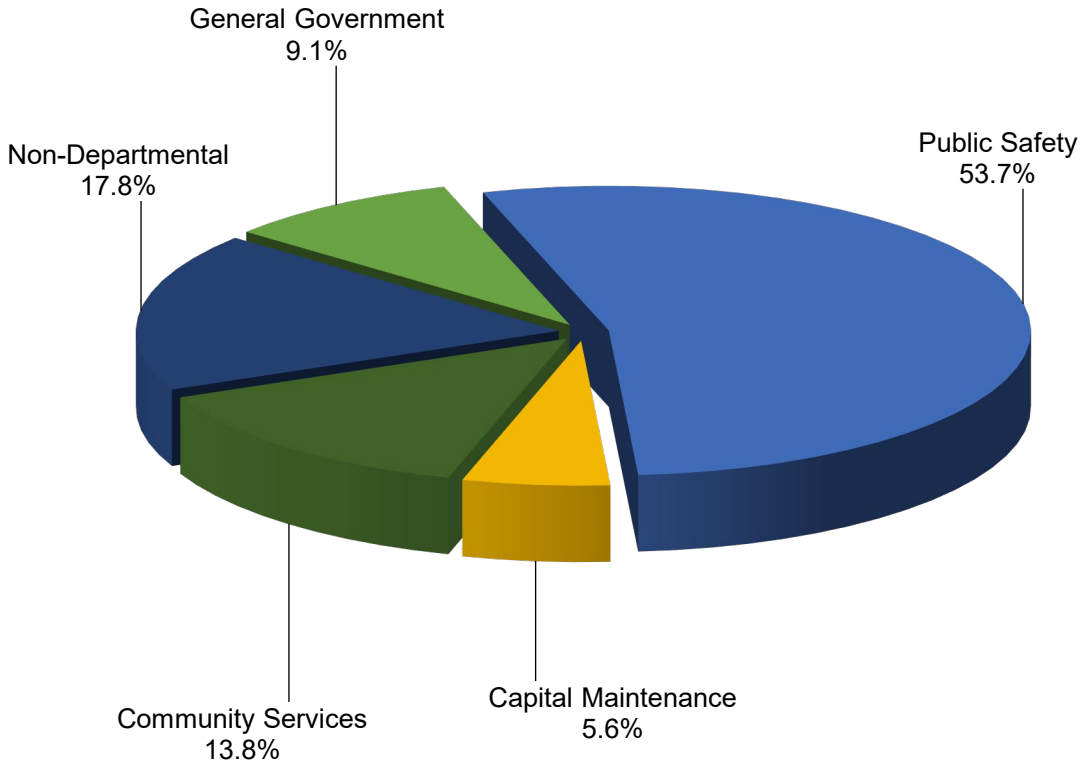
Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Public Works and Transportation Departments.

Community Services Departments - provide programs that affect citizens on a daily basis, such as Energy, Environmental Services, Housing, Library, Parks, Recreation and Neighborhood Services, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Economic Development and Cultural Affairs, Information Technology, Finance, Independent Police Auditor, City Manager, City Auditor, City Clerk, Mayor and City Council, and City Attorney.

Non-Departmental - include City-Wide expenses, capital contributions, transfers and reserves.



TOTAL GENERAL FUND USES $1,715,206,318

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET

SUMMARY OF GENERAL FUND USES

USE OF FUNDS	1 2024-2025 Actuals	2 2025-2026 Adopted Budget	3 2025-2026 Modified Budget*	4 2026-2027 Forecast Budget	5 2026-2027 Proposed Budget	2 TO 5 % Increase/ (Decrease)
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney's Office	$ 19,103,680	$ 19,980,291	$ 19,871,291	$ 19,423,204	$ 19,267,784	(3.6%)
City Auditor's Office	2,945,464	3,147,486	3,131,986	2,862,745	2,862,745	(9.0%)
City Clerk's Office	3,633,742	4,014,590	4,018,060	3,911,629	3,786,629	(5.7%)
City Manager's Office	24,072,176	26,212,997	25,696,984	25,483,877	25,114,238	(4.2%)
City Manager - Office of Economic Development and Cultural Affairs	6,566,633	8,405,938	8,248,219	6,527,969	7,316,990	(13.0%)
Finance Department	23,512,002	24,334,285	24,318,010	24,314,558	24,820,796	2.0%
Human Resources Department	14,341,407	15,151,068	15,041,959	15,342,745	14,770,246	(2.5%)
Independent Police Auditor's Office	1,348,588	1,665,341	1,657,144	1,687,135	1,687,135	1.3%
Information Technology Department	33,583,154	35,431,411	35,519,123	32,221,619	39,808,347	12.4%
Mayor and City Council	14,737,991	19,544,867	21,093,678	16,562,737	16,179,486	(17.2%)
Total General Government Departments	**$ 143,844,837**	**$ 157,888,274**	**$ 158,596,454**	**$ 148,338,218**	**$ 155,614,396**	**(1.4%)**
PUBLIC SAFETY DEPARTMENTS						
Fire Department	$ 306,971,435	$ 298,201,673	$ 298,229,295	$ 311,490,687	$ 306,270,454	2.7%
Police Department	555,345,506	574,132,056	598,201,471	613,766,643	614,983,793	7.1%
Total Public Safety Departments	**$ 862,316,941**	**$ 872,333,729**	**$ 896,430,766**	**$ 925,257,330**	**$ 921,254,247**	**5.6%**
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works Department	$ 55,304,693	$ 57,620,350	$ 57,240,350	$ 41,353,068	$ 41,575,068	(27.8%)
Transportation Department	49,795,941	55,804,573	55,494,312	55,200,694	54,969,292	(1.5%)
Total Capital Maintenance Departments	**$ 105,100,634**	**$ 113,424,923**	**$ 112,734,662**	**$ 96,553,762**	**$ 96,544,360**	**(14.9%)**

*As of June 30, 2025

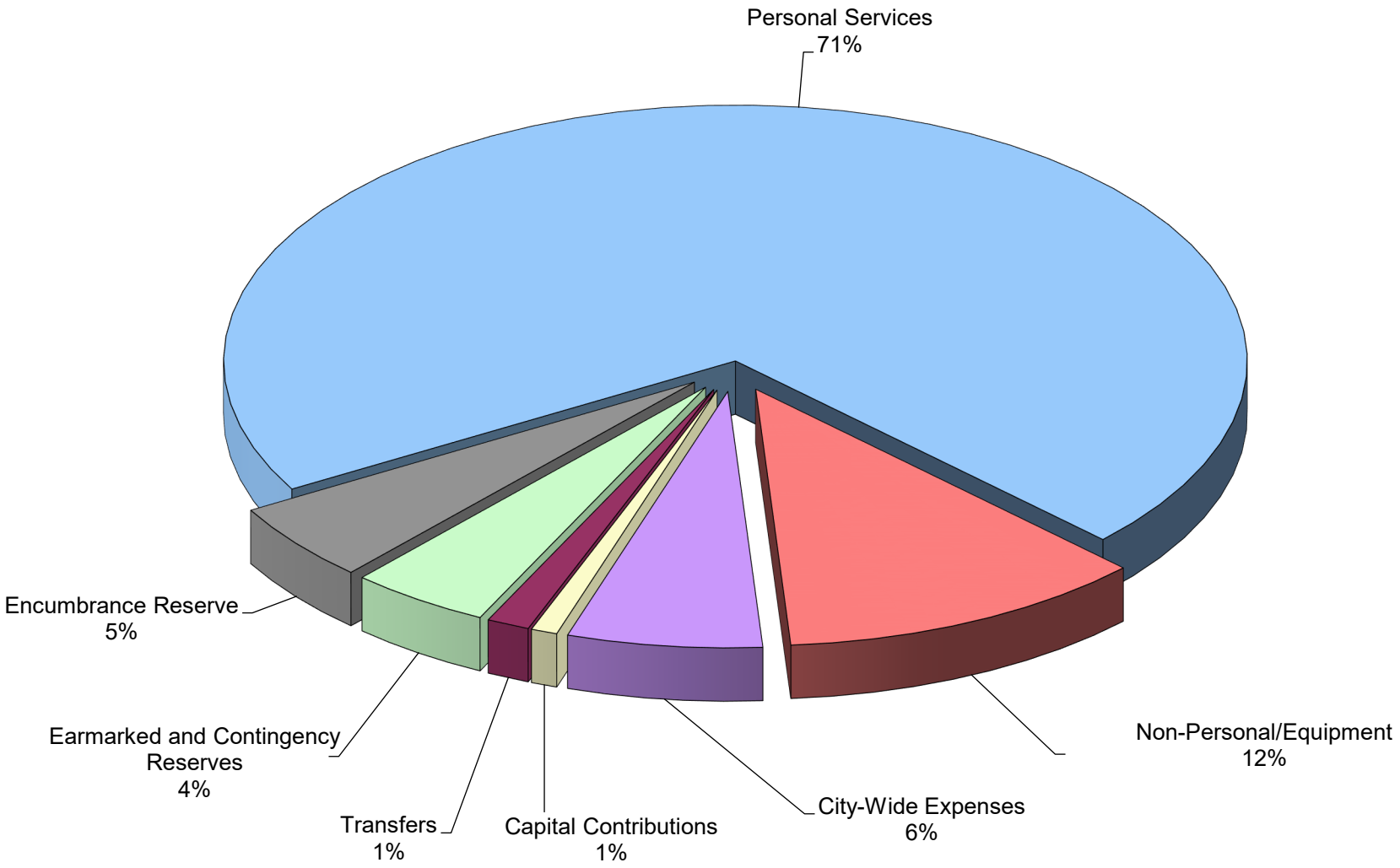
CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES

USE OF FUNDS (Cont'd.)	1 2024-2025 Actuals	2 2025-2026 Adopted Budget	3 2025-2026 Modified Budget*	4 2026-2027 Forecast Budget	5 2026-2027 Proposed Budget	2 TO 5 % Increase/ (Decrease)
COMMUNITY SERVICES DEPARTMENTS						
Energy Department	$ -	$ 1,303,395	$ 1,366,245	$ 1,366,998	$ 1,366,998	4.9%
Environmental Services Department	6,583,683	4,605,316	4,381,833	4,126,934	4,477,711	(2.8%)
Housing Department	443,309	636,996	536,996	819,229	766,592	20.3%
Library Department	48,881,463	52,107,517	52,107,315	51,559,498	50,164,428	(3.7%)
Parks, Recreation and Neighborhood Services Department	137,822,905	141,574,457	140,746,501	164,332,790	160,690,422	13.5%
Planning, Building and Code Enforcement Department	17,890,124	19,796,106	20,009,206	19,145,989	19,738,249	(0.3%)
Total Community Services Departments	**$ 211,621,484**	**$ 220,023,787**	**$ 219,148,096**	**$ 241,351,438**	**$ 237,204,400**	**7.8%**
Total Departmental Uses	**$ 1,322,883,896**	**$ 1,363,670,713**	**$ 1,386,909,978**	**$ 1,411,500,748**	**$ 1,410,617,403**	**3.4%**
NON-DEPARTMENTAL						
City-Wide Expenses	$ 143,404,816	$ 134,152,828	$ 173,885,790	$ 100,500,425	$ 105,498,997	(21.4%)
Capital Contributions	61,441,627	47,811,936	47,101,363	5,980,000	14,275,000	(70.1%)
Transfers	189,136,215	36,278,616	36,031,649	23,510,294	23,260,294	(35.9%)
Earmarked Reserves	N/A	237,371,366	202,950,449	21,304,203	25,183,203	(89.4%)
Contingency Reserve	N/A	53,000,000	53,000,000	51,000,000	51,000,000	(3.8%)
Encumbrance Reserve	85,371,421	97,572,603	85,371,421	85,371,421	85,371,421	(12.5%)
Total Non-Departmental Uses	**$ 479,354,079**	**$ 606,187,349**	**$ 598,340,672**	**$ 287,666,343**	**$ 304,588,915**	**(49.8%)**
TOTAL USE OF FUNDS	**$ 1,802,237,975**	**$ 1,969,858,062**	**$ 1,985,250,650**	**$ 1,699,167,091**	**$ 1,715,206,318**	**(12.9%)**

* As of March 31, 2026

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CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES BY CATEGORY



TOTAL GENERAL FUND USES $1,715,206,318

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF GENERAL FUND USES BY CATEGORY

USE OF FUNDS	1 2024-2025 Actuals	2 2025-2026 Adopted Budget	3 2025-2026 Modified Budget*	4 2026-2027 Forecast Budget	5 2026-2027 Proposed Budget	2 TO 5 % Increase/ (Decrease)
DEPARTMENTAL						
Personal Services	$ 1,137,458,733	$ 1,158,523,863	$ 1,181,585,175	$ 1,219,080,187	$ 1,210,982,468	4.5%
Non-Personal/Equipment	185,425,163	205,146,850	205,324,803	192,420,561	199,634,935	(2.7%)
Departmental Total	**$ 1,322,883,896**	**$ 1,363,670,713**	**$ 1,386,909,978**	**$ 1,411,500,748**	**$ 1,410,617,403**	**3.4%**
NON-DEPARTMENTAL						
City-Wide Expenses	$ 143,404,816	$ 134,152,828	$ 173,885,790	$ 100,500,425	$ 105,498,997	(21.4%)
Capital Contributions	61,441,627	47,811,936	47,101,363	5,980,000	14,275,000	(70.1%)
Transfers	189,136,215	36,278,616	36,031,649	23,510,294	23,260,294	(35.9%)
Earmarked Reserves	N/A	237,371,366	202,950,449	21,304,203	25,183,203	(89.4%)
Contingency Reserve	N/A	53,000,000	53,000,000	51,000,000	51,000,000	(3.8%)
Encumbrance Reserve	85,371,421	97,572,603	85,371,421	85,371,421	85,371,421	(12.5%)
Total Non-Departmental	**$ 479,354,079**	**$ 606,187,349**	**$ 598,340,672**	**$ 287,666,343**	**$ 304,588,915**	**(49.8%)**
TOTAL EXPENDITURES	**$ 1,802,237,975**	**$1,969,858,062**	**$1,985,250,650**	**$1,699,167,091**	**$1,715,206,318**	**(12.9%)**

*As of March 31, 2026

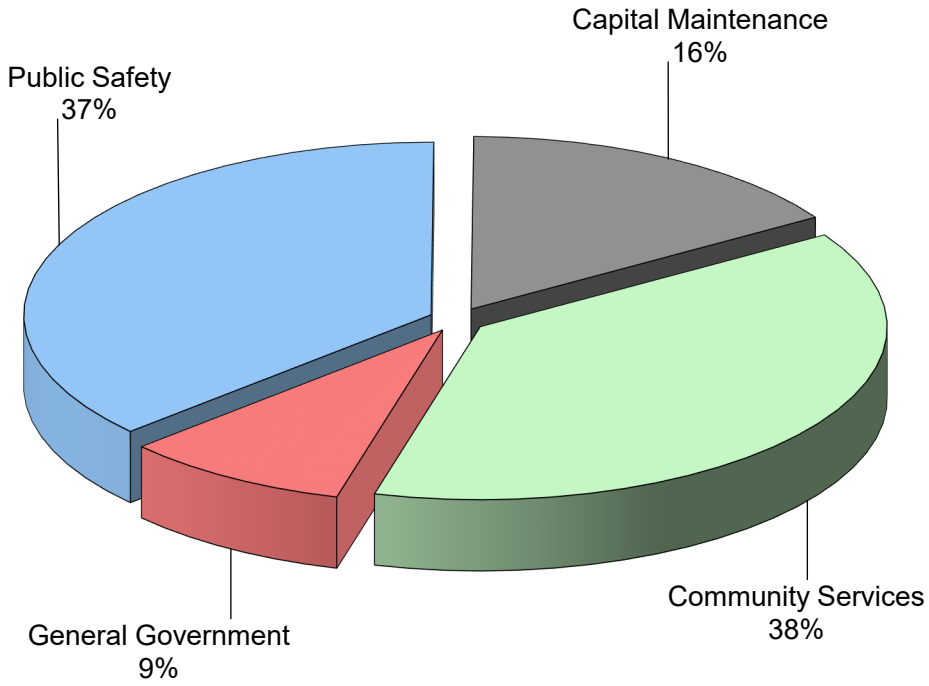
CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
SUMMARY OF TOTAL STAFFING BY DEPARTMENT

Public Safety Departments - provide for the safety of the public through crime and fire prevention and suppression efforts of the Police and Fire Departments.

Capital Maintenance Departments - provide for the construction and maintenance of the City's infrastructure by the Transportation and Public Works Departments.

Community Services Departments - provide for programs that affect citizens on a daily basis, such as Airport, Energy, Environmental Services, Housing, Parks, Recreation and Neighborhood Services, Library, and Planning, Building and Code Enforcement Departments.

General Government Departments - provide for the overall management and administrative functions of the City, including Human Resources, Finance, Economic Development and Cultural Affairs, Independent Police Auditor, Information Technology, Retirement Services, City Attorney, City Manager, Mayor and City Council, City Auditor, and City Clerk.

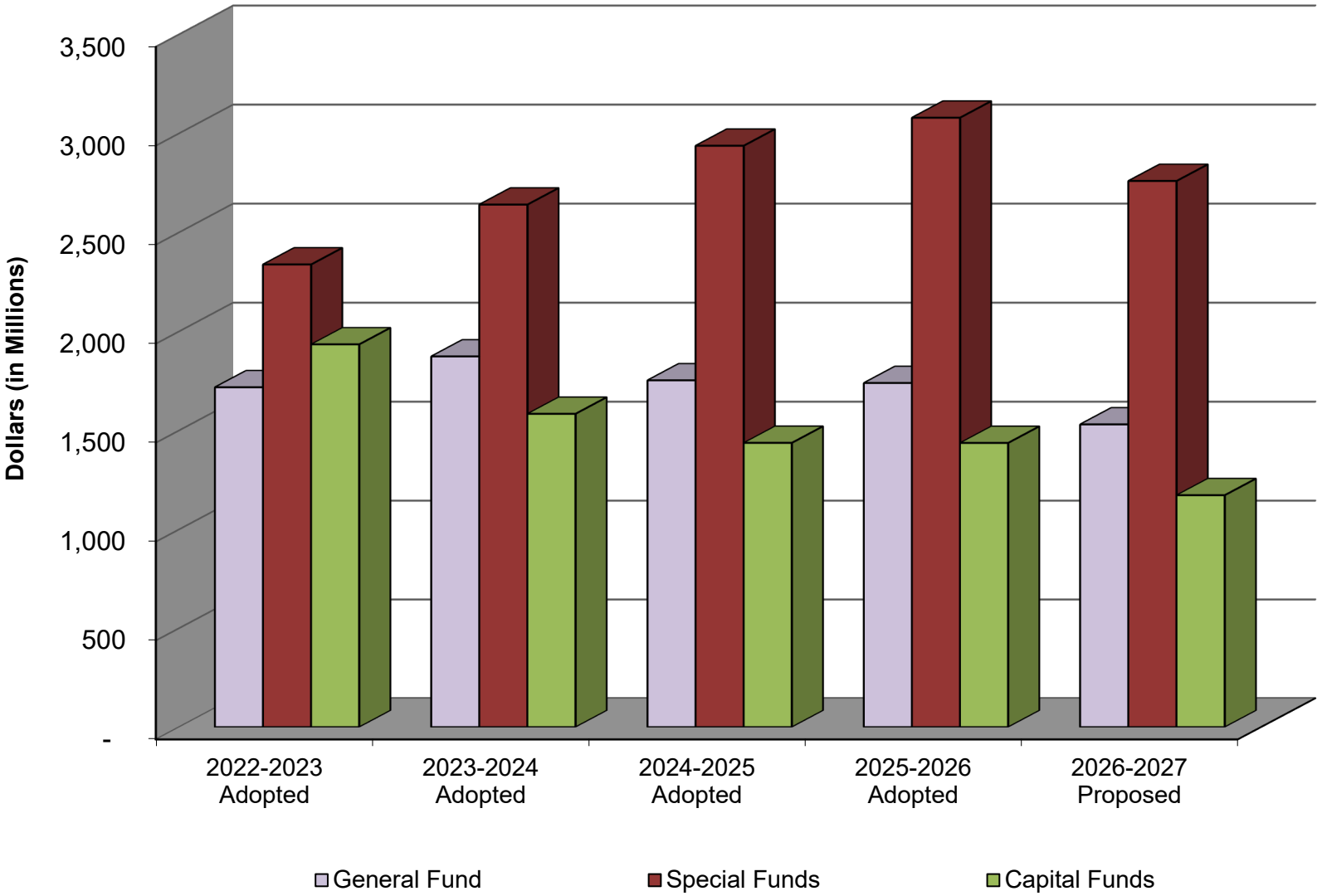


TOTAL STAFFING BY DEPARTMENT 6,924.29

SUMMARY OF TOTAL STAFFING BY DEPARTMENT

	2025-2026 Adopted	Changes in 2026-2027 Forecast	Net-Zero Inter-department Transfers	Changes in 2026-2027 Proposed	Total Changes	2026-2027 Proposed
GENERAL GOVERNMENT DEPARTMENTS						
City Attorney	88.50	(1.00)	0.00	(2.00)	(3.00)	85.50
City Auditor	13.00	(1.00)	0.00	0.00	(1.00)	12.00
City Clerk	17.00	0.00	0.00	0.00	0.00	17.00
City Manager	85.00	(4.00)	0.00	1.00	(3.00)	82.00
City Manager - Office of Economic Development and Cultural Affairs	61.00	(4.00) 0.00	0.00	1.00	(3.00)	58.00
Finance	127.66	0.00	0.00	(2.00)	(2.00)	125.66
Human Resources	55.50	(1.00)	0.00	(1.00)	(2.00)	53.50
Independent Police Auditor	7.00	0.00	0.00	0.00	0.00	7.00
Information Technology	112.00	(3.00)	0.00	3.00	0.00	112.00
Mayor and City Council	27.00	0.00	0.00	0.00	0.00	27.00
Retirement Services	45.00	0.00	0.00	1.00	1.00	46.00
Total General Government Departments	**638.66**	**(14.00)**	**0.00**	**1.00**	**(13.00)**	**625.66**
PUBLIC SAFETY DEPARTMENTS						
Fire	872.48	0.00	0.00	(9.00)	(9.00)	863.48
Police	1,735.61	(26.00)	0.00	(17.79)	(43.79)	1,691.82
Total Public Safety Departments	**2,608.09**	**(26.00)**	**0.00**	**(26.79)**	**(52.79)**	**2,555.30**
CAPITAL MAINTENANCE DEPARTMENTS						
Public Works	661.27	(3.00)	(100.27)	(6.00)	(109.27)	552.00
Transportation	548.50	(1.00)	0.00	5.50	4.50	553.00
Total Capital Maintenance Departments	**1,209.77**	**(4.00)**	**(100.27)**	**(0.50)**	**(104.77)**	**1,105.00**
COMMUNITY SERVICES DEPARTMENTS						
Airport	231.00	0.00	0.00	1.00	1.00	232.00
Energy	67.00	0.00	0.00	3.00	3.00	70.00
Environmental Services	582.00	0.00	0.00	3.00	3.00	585.00
Housing	127.50	(5.00)	0.00	6.00	1.00	128.50
Library	398.02	(5.80)	0.00	(3.90)	(9.70)	388.32
Parks, Recreation and Neighborhood Services	843.53	(11.35)	100.27	(2.44)	86.48	930.01
Planning, Building and Code Enforcement	303.00	1.00	0.00	0.50	1.50	304.50
Total Community Services Departments	**2,552.05**	**(21.15)**	**100.27**	**7.16**	**86.28**	**2,638.33**
TOTAL DEPARTMENT STAFFING	**7,008.57**	**(65.15)**	**0.00**	**(19.13)**	**(84.28)**	**6,924.29**

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF TOTAL CITY SOURCE AND USE OF FUNDS

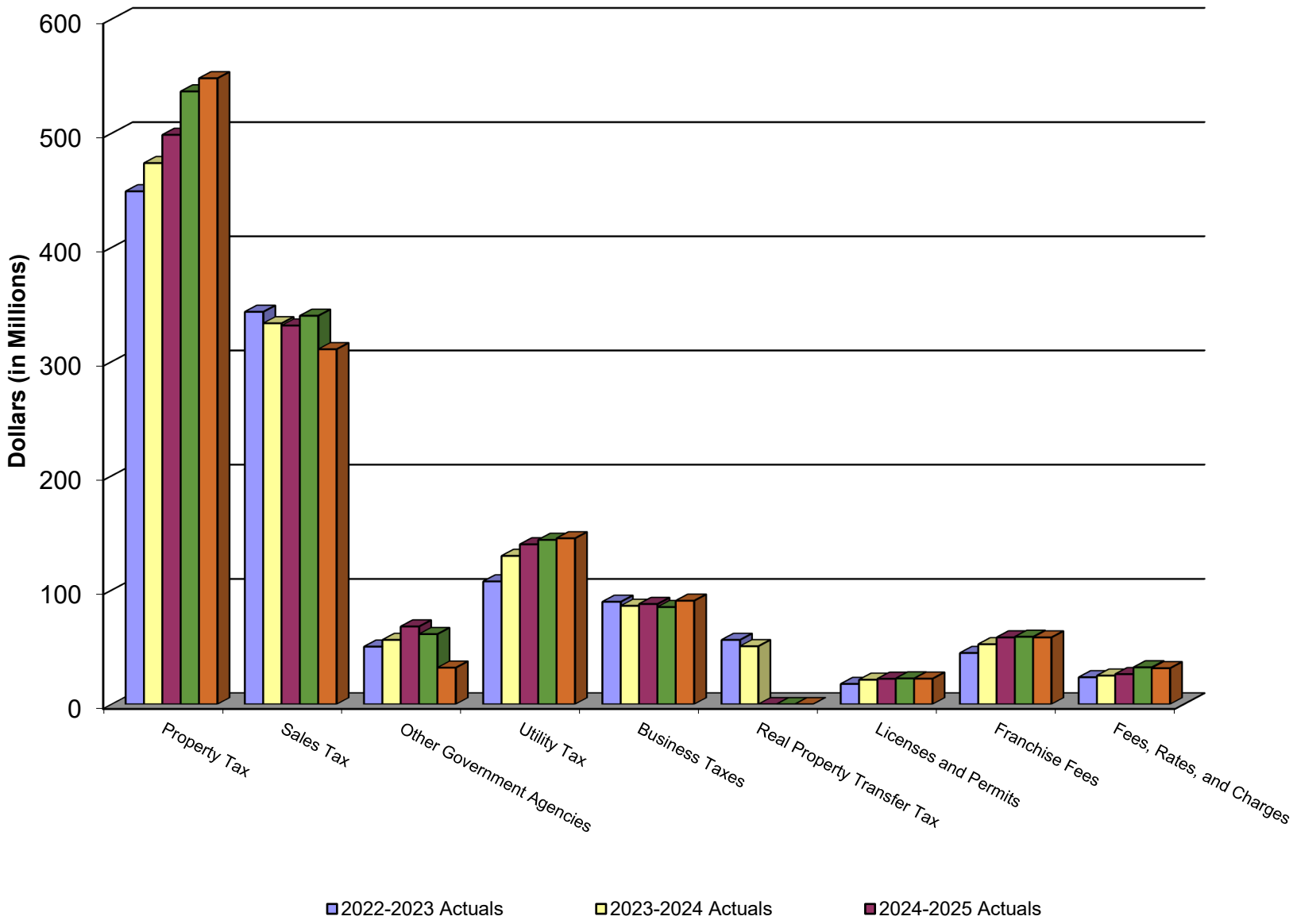


CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET

FIVE-YEAR COMPARISON OF TOTAL CITY SOURCE AND USE OF FUNDS

	1 2022-2023 ADOPTED	2 2023-2024 ADOPTED	3 2024-2025 ADOPTED	4 2025-2026 ADOPTED	5 2026-2027 PROPOSED
GENERAL FUND	$ 1,916,689,476	$ 2,092,480,477	$ 2,130,127,112	$ 1,969,858,062	$ 1,715,206,318
SPECIAL FUNDS	3,012,492,461	3,362,611,337	3,667,126,712	3,775,255,293	3,492,765,808
<Less: Operating Transfers>	(872,639,407)	(940,383,884)	(1,106,073,764)	(925,841,053)	(917,286,441)
Net Operating Funds	**$ 4,056,542,530**	**$ 4,514,707,930**	**$ 4,691,180,060**	**$ 4,819,272,302**	**$ 4,290,685,685**
CAPITAL FUNDS	$ 1,947,900,683	$ 1,588,248,927	$ 1,444,448,232	$ 1,444,522,665	$ 1,177,690,286
<Less: Capital Transfers>	(13,065,000)	(4,030,000)	(6,952,000)	(7,377,000)	(4,442,000)
Net Capital Funds	**$ 1,934,835,683**	**$ 1,584,218,927**	**$ 1,437,496,232**	**$ 1,437,145,665**	**$ 1,173,248,286**
NET CITY SOURCE AND USE OF FUNDS	**$ 5,991,378,213**	**$ 6,098,926,857**	**$ 6,128,676,292**	**$ 6,256,417,967**	**$ 5,463,933,971**

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF KEY GENERAL FUND SOURCES

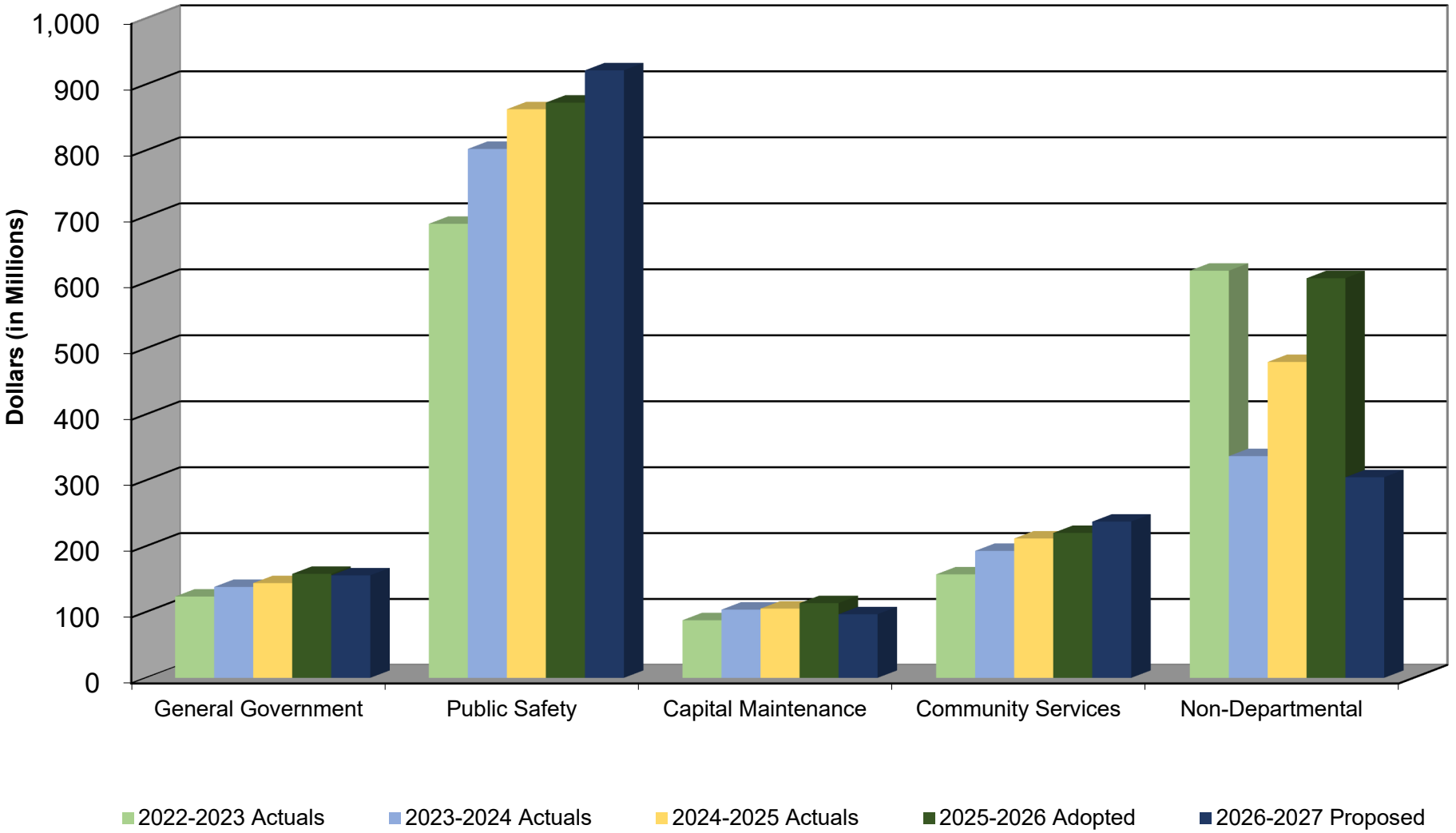


CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET

FIVE-YEAR COMPARISON OF GENERAL FUND SOURCES

SOURCE OF FUNDS	1 2022-2023 ACTUALS	2 2023-2024 ACTUALS	3 2024-2025 ACTUALS	4 2025-2026 ADOPTED	5 2026-2027 PROPOSED
FUND BALANCE					
Encumbrance Reserve	$ 53,352,941	$ 84,474,436	$ 97,572,603	$ 97,572,603	$ 85,371,421
Carryover	639,359,298	600,932,599	383,680,865	356,310,735	145,774,155
Total Fund Balance	**$ 692,712,239**	**$ 685,407,035**	**$ 481,253,468**	**$ 453,883,338**	**$ 231,145,576**
GENERAL REVENUE					
Property Tax	$ 449,014,347	$ 473,724,109	$ 498,478,297	$ 536,500,000	$ 548,000,000
Sales Tax	343,472,084	333,411,487	331,430,656	340,000,000	310,700,000
Transient Occupancy Tax	14,936,816	15,894,163	17,212,205	18,000,000	24,750,000
Franchise Fees	44,823,852	52,475,857	58,458,709	58,988,263	58,444,026
Utility Tax	124,266,765	129,770,893	139,896,807	143,800,000	145,150,000
Business Taxes	89,626,955	86,072,405	87,693,311	85,000,000	90,551,000
Real Property Transfer Tax	56,279,648	50,749,321	-	-	-
Telephone Line Tax	21,093,889	22,291,646	21,989,227	22,000,000	22,000,000
Licenses and Permits	17,756,820	21,428,006	22,266,806	22,574,591	22,355,627
Fines, Forfeitures, and Penalties	17,352,624	14,322,746	19,740,923	15,280,000	18,777,500
Fees, Rates, and Charges	23,595,906	25,030,265	26,305,211	32,270,988	31,513,599
Revenue from Use of Money/Property	19,157,555	22,774,861	20,214,200	21,935,000	20,000,000
Revenue from Local Agencies	25,497,190	23,353,375	22,201,684	22,132,609	18,705,579
Revenue from the State of California	19,912,631	27,444,985	39,382,713	31,982,501	11,500,000
Revenue from Federal Government	4,962,143	5,462,136	6,433,084	7,249,884	1,762,686
Other Revenue	291,249,120	12,664,318	19,803,291	12,392,952	11,632,345
Total General Revenue	**$ 1,562,998,345**	**$ 1,316,870,573**	**$ 1,331,507,124**	**$ 1,370,106,788**	**$ 1,335,842,362**
TRANSFERS AND REIMBURSEMENTS					
Overhead Reimbursements	$ 75,799,618	$ 80,379,703	$ 87,516,288	$ 88,841,958	$ 86,050,673
Transfers	47,176,528	34,160,106	36,745,418	36,052,870	42,889,716
Reimbursements for Services	17,772,186	19,049,014	19,177,753	20,973,108	19,277,991
Total Transfers and Reimbursements	**$ 140,748,332**	**$ 133,588,823**	**$ 143,439,459**	**$ 145,867,936**	**$ 148,218,380**
TOTAL SOURCE OF FUNDS	**$ 2,396,458,916**	**$ 2,135,866,431**	**$ 1,956,200,051**	**$ 1,969,858,062**	**$ 1,715,206,318**

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET
FIVE-YEAR COMPARISON OF GENERAL FUND USES



CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET

FIVE-YEAR COMPARISON OF GENERAL FUND USES

USE OF FUNDS	1 2022-2023 ACTUALS	2 2023-2024 ACTUALS	3 2024-2025 ACTUALS	4 2025-2026 ADOPTED	5 2026-2027 PROPOSED
GENERAL GOVERNMENT DEPARTMENTS					
City Attorney	$ 18,075,975	$ 19,296,203	$ 19,103,680	$ 19,980,291	$ 19,267,784
City Auditor	2,496,588	2,806,591	2,945,464	3,147,486	2,862,745
City Clerk	3,329,181	3,825,017	3,633,742	4,014,590	3,786,629
City Manager	20,613,002	22,904,883	24,072,176	26,212,997	25,114,238
City Manager - Office of Economic Development and Cultural Affairs	5,872,128	6,228,339	6,566,633	8,405,938	7,316,990
Finance	20,070,729	22,941,505	23,512,002	24,334,285	24,820,796
Human Resources	12,479,307	14,896,009	14,341,407	15,151,068	14,770,246
Independent Police Auditor	1,203,337	1,330,121	1,348,588	1,665,341	1,687,135
Information Technology	24,953,926	29,268,937	33,583,154	35,431,411	39,808,347
Mayor and City Council	14,365,798	14,571,609	14,737,991	19,544,867	16,179,486
Total General Government Departments	**$ 123,459,972**	**$ 138,069,214**	**$ 143,844,837**	**$ 157,888,274**	**$ 155,614,396**
PUBLIC SAFETY DEPARTMENTS					
Fire	$ 278,490,449	$ 287,559,302	$ 306,971,435	$ 298,201,673	$ 306,270,454
Police	410,220,497	514,620,013	555,345,506	574,132,056	614,983,793
Total Public Safety Departments	**$ 688,710,947**	**$ 802,179,315**	**$ 862,316,941**	**$ 872,333,729**	**$ 921,254,247**
CAPITAL MAINTENANCE DEPARTMENTS					
Public Works	$ 45,039,818	$ 56,065,622	$ 55,304,693	$ 57,620,350	$ 41,575,068
Transportation	42,441,222	47,522,471	49,795,941	55,804,573	54,969,292
Total Capital Maintenance Departments	**$ 87,481,040**	**$ 103,588,093**	**$ 105,100,634**	**$ 113,424,923**	**$ 96,544,360**
COMMUNITY SERVICES DEPARTMENTS					
Energy	$ -	$ -	$ -	$ 1,303,395	$ 1,366,998
Environmental Services	4,060,918	4,896,648	6,583,683	4,605,316	4,477,711
Housing	516,242	593,981	443,309	636,996	766,592
Library	41,200,332	47,199,065	48,881,463	52,107,517	50,164,428
Parks, Recreation and Neighborhood Services	96,474,595	123,225,832	137,822,905	141,574,457	160,690,422
Planning, Building and Code Enforcement	14,883,996	16,901,856	17,890,124	19,796,106	19,738,249
Total Community Services Departments	**$ 157,136,082**	**$ 192,817,382**	**$ 211,621,484**	**$ 220,023,787**	**$ 237,204,400**
Total Departmental	**$ 1,056,788,041**	**$ 1,236,654,004**	**$ 1,322,883,896**	**$ 1,363,670,713**	**$ 1,410,617,403**
NON-DEPARTMENTAL					
City-Wide Expenses	$ 468,021,896	$ 184,383,751	$ 143,404,816	$ 134,152,828	$ 105,498,997
Capital Contributions	27,331,261	24,278,090	61,441,627	47,811,936	14,275,000
Transfers	37,810,639	30,472,131	189,136,215	36,278,616	23,260,294
Earmarked Reserves	N/A	N/A	N/A	237,371,366	25,183,203
Contingency Reserve	N/A	N/A	N/A	53,000,000	51,000,000
Encumbrance Reserve	84,474,436	97,572,603	85,371,421	97,572,603	85,371,421
Total Non-Departmental	**$ 617,638,232**	**$ 336,706,575**	**$ 479,354,079**	**$ 606,187,349**	**$ 304,588,915**
TOTAL USE OF FUNDS	**$ 1,674,426,274**	**$ 1,573,360,579**	**$ 1,802,237,975**	**$ 1,969,858,062**	**$ 1,715,206,318**

CITY OF SAN JOSE
2026-2027 PROPOSED OPERATING BUDGET

FIVE-YEAR COMPARISON OF GENERAL FUND USES BY CATEGORY

USE OF FUNDS	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ACTUALS	2025-2026 ADOPTED	2026-2027 PROPOSED
DEPARTMENTAL					
Personal Services	$ 914,739,484	$ 1,066,433,334	$ 1,137,458,733	$ 1,158,523,863	$ 1,210,982,468
Non-Personal/Equipment	142,048,557	170,220,670	185,425,163	205,146,850	199,634,935
Total Departmental	**$ 1,056,788,041**	**$ 1,236,654,004**	**$ 1,322,883,896**	**$ 1,363,670,713**	**$ 1,410,617,403**
NON-DEPARTMENTAL					
City-Wide Expenses	$ 468,021,896	$ 184,383,751	$ 143,404,816	$ 134,152,828	$ 105,498,997
Capital Contributions	27,331,261	24,278,090	61,441,627	47,811,936	14,275,000
Transfers	37,810,639	30,472,131	189,136,215	36,278,616	23,260,294
Earmarked Reserves	N/A	N/A	N/A	237,371,366	25,183,203
Contingency Reserve	N/A	N/A	N/A	53,000,000	51,000,000
Encumbrance Reserve	84,474,436	97,572,603	85,371,421	97,572,603	85,371,421
Total Non-Departmental	**$ 617,638,232**	**$ 336,706,575**	**$ 479,354,079**	**$ 606,187,349**	**$ 304,588,915**
TOTAL EXPENDITURES	**$ 1,674,426,274**	**$ 1,573,360,579**	**$ 1,802,237,975**	**$ 1,969,858,062**	**$ 1,715,206,318**

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BUDGET POLICIES

The Operating and Capital Budgets and the Capital Improvement Program are prepared and administered in accordance with several sources of policy direction. First, the City Charter requires that the budget be balanced, include a complete financial plan for all City funds, and meet certain legal deadlines for submittal. Second, the City Council has established two budget policies: (1) the Operating Budget and Capital Improvement Program Policy (Council Policy 1-18), which includes guidelines, standards, and requirements for preparation and monitoring of both the Operating and Capital Budgets; and (2) the Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12), which establishes guidelines for estimating construction project costs and developing project budgets (the complete text of the adopted policies is presented below). Third, the budget is developed in accordance with the Mayor's budget priorities and direction as approved by the City Council in March and June of each year. Fourth, recommendations of special studies by Council-appointed task forces, boards, commissions, and committees may be considered upon the direction of the City Council. Finally, public input is considered throughout the process, with scheduled public hearings at key City Council decision points.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

1. General

The budget should be a performance, financing, and spending plan agreed to by the Mayor, City Council, City Manager, and other Council Appointees. It should contain information and data regarding expected revenues and resources (inputs), expected expenditures, and expected performance (outcomes). During the fiscal year, actual experience (revenues, expenditures, and performance) will be periodically measured against the plan.

The City will prepare and annually refine written goals and policies to guide the preparation of financing, spending, and performance plans for the City budget. Proposed budgets will comply with the adopted budget policies and Council priorities.

The City uses a performance-based budget. The core service is the lowest level in the organization for which budgets are prepared. Each core service budget will include financing and spending plans. Each core service will also propose an annual performance plan. The plan must identify ongoing performance targets and corresponding indicators, which measure performance. The plan should also include specific performance targets, which will have results during the budget year. All performance at the core service level must be consistent with the mission statements at the department level and the outcomes of the City Service Area at the City level, meeting the performance as well as budget goals and policies established by the Mayor and City Council.

Department and program managers will not exceed the Council-approved appropriations in any fund. Appropriations for departmental operations are approved by the City Council in two categories: Personal Services and Non-Personal/Equipment.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

1. General (Cont'd.)

These appropriations are shown in the departmental budgets. In addition, appropriations are approved for Capital Projects, City-Wide projects, and other targeted functions with special and capital funds.

The City Council may approve modifications to these appropriations throughout the year as warranted by revenue collections and activity demands.

2. Fiscal Integrity

The City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets, which provide services and maintain public facilities, streets, and utilities.

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. Interfund loans will not be used as a funding mechanism to address ongoing gaps between revenues and costs. If a new program is added on an ongoing basis, an ongoing revenue source will be identified to fund the program costs. Any available carryover balance will only be used to offset one-time costs.

3. Contingency Funds or Accounts

Several different contingency funds or accounts are established:

a) General Purpose Reserves

Within the General Fund, unrestricted reserves shall be set aside as a safety net for general city operations. Currently, the Contingency Reserve, Budget Stabilization Reserve, and Workers' Compensation/General Liability Catastrophic Reserve are available for general purposes. The combined funding goal for these reserves in the aggregate shall be 10 percent of General Fund Operating Budget expenditures. Within capital and special funds, reserves may be set aside as a safety net for city operations pertaining to the respective fund or to provide stability for customer rates when there are fluctuations to revenue and expenditures.

1) Contingency Reserve

Within the General Fund, a contingency reserve, which is a minimum of 3% of the General Fund operating budget, is established. The purpose of this reserve is to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

3. Contingency Funds or Accounts (Cont'd.)

Any use of the General Fund Contingency Reserve shall require two-thirds vote of approval by the City Council. The Contingency Reserve shall be budgeted at a minimum of 3% of the General Fund operating budget in the annual Adopted Budget. This allocation will include replenishment of any amounts expended or appropriated to another fund during the previous year.

Appropriate levels of contingency funds will be determined and maintained in the capital and special funds as part of the City Council's adoption of the annual Capital Budget or the Operating Budget, as applicable.

2) Budget Stabilization Reserve

Within the General Fund, a Budget Stabilization Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment or use of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve, or as funds are needed to address a budget shortfall.

Appropriate levels of Budget Stabilization Reserve funds will be determined and maintained in the capital and special funds, as applicable.

3) Workers' Compensation/General Liability Catastrophic Reserve

Within the General Fund, a Workers' Compensation/General Liability Catastrophic Reserve may be maintained at a level as determined by the City Council to be adequate. The purpose of this reserve is to provide funding for potential workers' compensation or general liability claims that exceed the budgeted amounts as the City, for the most part, is self-insured.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

3. Contingency Funds or Accounts (Cont'd.)

Any use of the General Fund Workers' Compensation/General Liability Catastrophic Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually as part of the City Council's adoption of the Operating Budget. The replenishment of this reserve shall be incorporated into the annual Adopted Operating Budget as resources are available to replenish and/or increase this reserve.

Appropriate levels of Workers' Compensation and/or General Liability Catastrophic Reserves will be determined and maintained in the capital and special funds, as applicable.

b) Cash Reserve Fund

An adequate revolving fund (Cash Reserve Fund 002), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is for the payment of any authorized expenditures of the City for any fiscal year in anticipation of and before the collection of taxes and other revenues of the City for such fiscal year.

c) Emergency Reserve Fund

An adequate emergency reserve fund (Emergency Reserve Fund 406), as mandated by the City Charter, shall be determined and maintained at an adequate level as determined by the City Council. The purpose of this reserve fund is to meet any public emergency involving or threatening the lives, property, or welfare of the people of the City or property of the City.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

4. Fund Balance

The appropriation of carryover fund balances must be approved judiciously. This should ensure that ongoing expenditures will be budgeted only to the extent that proven revenue streams exist.

In the annual budget, and in subsequent reports, there will be a presentation on fund balances and their anticipated uses.

a) The first increment of any General Fund "Ending Fund Balance" identified in the City Manager's Annual Report shall be allocated to offset any projected deficit for the following fiscal year, after necessary appropriation adjustment actions to re-budget funds, correct errors, or reflect updated cost information have been accounted for in the fund balance reconciliation.

b) After setting aside funding to address the projected deficit for the following year, if applicable, the remaining funds shall be allocated for the following uses:

   1) Budget Stabilization Reserve and/or Contingency Reserve.
   2) Unmet/deferred infrastructure and maintenance needs.
   3) Other one-time urgent funding needs.

c) Annual surplus funds shall not be used for ongoing expenditures, unless those expenditures can be accommodated in Year Two and possibly Year Three of the five-year financial forecast. Any available carryover balance should only be used to offset one-time costs or to increase revenues.

5. Mid-Year Adjustments

Mid-Year budget adjustments recommended by Council Committees, task forces, or the full Council, should be referred to the Mid-Year Budget Review or the annual budget process for consideration along with other competing budgets needs and priorities. In general, ongoing budget changes should be dealt with during the annual budget process while one-time budget changes may be considered during either the Mid-Year Budget Review or during the annual budget process.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

5. Mid-Year Adjustments (Cont'd.)

The authority to make expenditures in accordance with a City Council-approved spending plan is only valid as long as revenue for the budgets is equal to or greater than estimated expenditures.

All appropriation amendments and revenue estimate changes will be reported in the monthly financial report.

6. Overhead Cost Allocation

All overhead costs shall be allocated to the appropriate program within the limits of local, State, and federal laws. The City utilizes a two step method (double step down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down in priority order to the departments and funds that are benefitting from their services. The allocating support program costs are charged to the associated departmental funding source and corresponding revenue is received by the General Fund.

7. Budget System

The City will maintain a budget control system to adhere to the budget.

There will be delivery of a Proposed Budget, in accordance with the Adopted Budget schedule, that accurately depicts the financial condition and goals of the City. This budget should be in a form that enables decision makers to set the direction and policy of the City.

The Proposed Budget will illustrate the General Fund, special funds, and capital funds so that the entire resources of the City may be viewed comprehensively for decision-making.

Decision-making for capital improvements will be coordinated with the operating budget to make effective use of the City's overall resources for operating and maintaining facilities.

The adoption of the annual appropriations ordinance will coincide with the adoption of the resolution setting forth the annual revenue estimates.

Budget detail shall contain line-item detail for the core service spending plan, a personnel summary report listing the types of positions for each department, and a corresponding core service performance plan. It shall also contain department and fund summaries for spending and personnel as well as a detailed financing plan for the core service.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

8. Debt

The City Council adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

a) Minimize debt service and issuance costs.
b) Maintain access to cost-effective borrowing.
c) Achieve the highest practical credit rating.
d) Full and timely repayment of debt.
e) Maintain full and complete financial disclosure and reporting.
f) Ensure compliance with applicable State and Federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study. Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

9. Self Insurance

The budget will provide for the adequate funding for the City's self-insurance programs.

10. Capital and Equipment Maintenance

The budget will provide for the adequate maintenance and orderly replacement of capital, plant, and equipment.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

11. Retirement

The budget will provide for the adequate funding of all retirement systems.

12. Monthly Report

The Administration will prepare regular monthly reports comparing actual revenues and expenditures to budgeted amounts.

The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely monthly report.

All budget amendments, both for revenues and expenditures, will be noted in the monthly report.

13. Multi-Year Estimates

Each year the City will update expenditure and revenue projections for the next five years. Projections will include estimated maintenance and operating costs of future capital improvements that are included in the capital budget.

This budget data will be presented to elected officials in a form that will facilitate annual budget decisions, based on a multi-year strategic planning perspective.

14. Performance and Productivity

The City will integrate performance measurement and productivity indicators within the budget. Prior to implementation, performance objectives and service levels will be submitted for all new and existing programs established during the budget process. The selection of performance standards should be made on the basis of information reliability, relevance to current year budget change proposals, value to Mayor/City Council decision making, and utility for program management.

The City will promote the understanding that City employees are the most valuable resource of the City and that their understanding and involvement in the budget process is crucial to the City's continuing success on behalf of the community.

The City will employ good management practices when planning for service delivery by including money in budget requests to pursue activities such as:

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

14. Performance and Productivity (Cont'd.)

a) office automation and computer applications that increase productivity;
b) equipment modernization;
c) work-flow simplification;
d) risk management, exposure reduction, and employee safety;
e) preventive maintenance;
f) energy conservation;
g) life-cycle costing in purchasing of equipment;
h) lease-purchase options for high-cost equipment and purchases that reduce operating expenses;
i) performance planning, reporting, and evaluation; and
j) employee training.

The City will prepare and evaluate program performance plans that relate to financing and spending plans in the annual City budget.

15. Public Involvement

Public involvement shall be encouraged in the annual budget decision making process through public hearings, public outreach and information, and informal meetings.

For ballot measures approved by the voters that result in increased tax revenues available to be spent for any governmental purpose, the Neighborhoods Commission shall serve as the primary resident oversight body over how such revenues are allocated by the City Council within the General Fund on an annual basis. Subsequent to the release of the City Manager's Annual Report, the Neighborhoods Commission will perform the following tasks for each ballot measure identified by the City Council to be reviewed by the Neighborhoods Commission:

a) Compare the actual revenue received with the budgeted estimate.
b) If the City Council approved specific uses for the revenue through a budget action, compare actual expenditures with the budgeted amount.
c) If the City Council did not approve specific uses of the revenue through a budget action, provide a high-level review of the General Fund budget to assess how the increased revenues from the ballot measure were allocated to support and make a positive impact on community priorities.
d) Produce a report to the City Council summarizing all findings and stating whether and how the revenues were used to support previously identified uses and/or community priorities.

As deemed appropriate, the City Council may designate a separate commission or other body of San José residents to provide oversight of ballot measures that increase City revenues.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

16. "Distinguished Budget" Presentation

The approved budget shall be submitted to the Government Finance Officers Association and the California Society of Municipal Finance Officers for consideration for professional awards and recognition for Distinguished Budget Presentation.

17. Fees

Fees shall be set to cover 100% of the cost of service delivery, unless such amount prevents residents from obtaining an essential service. Fees or service charges should not be established to generate money in excess of the costs of providing services.

Fees may be less than 100% if Council determines that other factors (e.g., market forces, competitive position, etc.) need to be recognized.

18. Non-Profit Organizations

Future funding decisions regarding non-profit organizations will be based on guidelines, policies and priorities determined by the Mayor/City Council and availability of funding based on spending priorities.

The City shall execute performance contracts with those agencies that receive City funding.

19. Master Plans

Master plans for specific service areas brought forward for Council consideration shall include options for capital and operating financing. Master plans shall be required to propose funding mechanisms for all recommendations.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

20. Office of the Mayor and City Council District Office Budgets in Transition Years

For fiscal years in which the term of office of the Mayor or Councilmember(s) will expire and, as a result, the official may leave office due to election results or term limits (a "Transition Year"), two separate appropriations to maintain separate budget allocations for the outgoing and incoming elected officials shall be established. The total budget allocation will include: (a) office general budget; (b) constituent outreach budget; and (c) any carryover available from the prior fiscal year, from both office general and constituent outreach budgets, less an estimated amount for the accrued leave balance payout for existing staff at the expiration of the term. The first appropriation shall be for the July through December period for the Mayor and Councilmember(s) whose terms expire in December of that year, representing 50% of the total allocation plus the estimated accrued leave balance payout for existing staff. The second appropriation shall be for the January through June period for the newly elected Mayor and Councilmember(s), representing the remaining 50% of the total allocation. Outgoing Mayor and Councilmember(s) shall take into account the costs associated with any contracts entered into and all of their office's personnel costs so as not to reduce the amount budgeted for the incoming official. Any remaining budget allocation at the conclusion of the first appropriation shall be reappropriated to the second appropriation for that specific office as part of the annual Mid-Year Budget Review process. Should an election result in no change in the office holder, as part of the Mid-Year Budget Review process, the second appropriation shall be combined into the first for continuity of operations.

21. Interfund Loans

Interfund loans are loans from one City fund to another City fund for a designated purpose. To ensure that all interfund loans are appropriate, properly documented, and not established to the detriment of the fund issuing the loan, the following interfund loan eligibility and documentation requirements are established.

a) Interfund Loan Eligibility Requirements – Interfund loans may not be used to solve ongoing structural budget problems. Interfund loans must have an identified repayment source and date; include an interest component that equals the investment earnings the fund would have received had the loan not occurred; and be immediately due and payable if needed by the fund that provided the loan.

b) Interfund Loan Documentation Requirements – Loan amount, term, and repayment source will be identified any time a loan is recommended. Loans will be coordinated with the City Attorney's Office to ensure compliance with the Municipal Code and will be approved by the City Council. Payments made on outstanding loans shall be reflected in the Proposed and Adopted Budget and Annual Report, as applicable. A summary of all outstanding loans will also be included in the annual Proposed and Adopted Operating Budget and the Comprehensive Annual Financial Report (CAFR). The CAFR will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

22. Real Property Transfer Tax Revenues

On March 3, 2020, the voters of San José passed Measure E to enact a new real property transfer tax ("Transfer Tax") on the transfer of certain real property in the City. The provisions of this section shall apply to the budgeting of Transfer Tax revenues. The Transfer Tax is a general tax and the revenues derived from the tax are unrestricted, which means the City can use the Transfer Tax revenues for any governmental purpose. However, the City Council intends for the revenues to be allocated towards addressing the homelessness crisis and the City's most urgent issues including, but not limited to, homeless sheltering and support services, homeless prevention, and developing and preserving affordable housing. The approach for estimating and budgeting Transfer Tax revenues is described below.

a) Estimating Revenue from the Transfer Tax – Due to the volatile nature of a real property transfer tax such as the Transfer Tax, the City will conservatively estimate revenue from the Transfer Tax as part of the Proposed Budget process. During the course of the fiscal year, revisions to the Transfer Tax revenue estimate may be recommended to the City Council to align with the pace of actual collections.

b) Spending Allocations of Transfer Tax – The spending priorities for the Transfer Tax are listed below.

    1) Up to 5% of the revenues may be allocated for the administration of funding related to increased workload resulting from more robust homeless prevention efforts and the creation of more affordable housing, including, but not limited to, financial, legal, or administrative and policy programmatic support.

    2) The remaining revenue is allocated as follows:

        i. 10% for homelessness prevention including, but not limited to, gender-based violence programs, legal services, and rental assistance;

        ii. Up to 90% for homeless sheltering and support programs that may include, but are not limited to, case management, outreach teams, encampment services, safe or supportive parking, homeless shelters, and interim housing construction and operations; and

        iii. Any remaining revenue not budgeted within the homeless sheltering and support program allocation above will be allocated as determined through the annual budget process for the creation of new or the preservation of existing affordable housing.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

OPERATING BUDGET

22. Real Property Transfer Tax Revenues Cont'd.

c) Modifications to Spending Allocation – Any revisions to the revenue estimate, as well as a reconciliation of year-end actuals to budgeted estimates, will be proportionally applied to the spending categories described above. Modifying the percentage allocations above during the Proposed Budget process or during the year requires:

1) A 60-day notice in advance of the effective date of the proposed allocation change posted on the City's website and at least two public hearings prior to City Council action on the proposed allocation change, with a notice of each public hearing posted on the City's website at least 10 days in advance of the public hearing; and

2) A two-thirds vote of the City Council.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies

a) Capital project proposals should include complete, reliable, and attainable cost estimates. Based upon a thorough analysis of the project, project cost estimates for the Five-Year Capital Improvement Plan will vary in reliability depending upon whether they are to be undertaken in the first or fifth year of the Plan. Project estimates for the Five-Year Capital Improvement Plan should include the basis on which the project costs were prepared (conceptual design, master plan, etc.), and the relative reliability of those estimated costs.

b) Capital project proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources needed to complete any given phase of a project in addition to the total project. The City Manager's Office is responsible and accountable for providing Council with an accurate, comprehensive resource plan.

c) Changes in project estimates for the comprehensive resource plan shall be fully reported to the City Council for review and approval.

d) Project proposals should indicate the project impact on the operating budget. Each project that is proposed in any year of the Five-Year Capital Improvement Program shall have an estimate of the costs for furniture, fixtures, equipment, and technology and the annual operations and maintenance costs in the appropriate year of the Operating Budget or in the Five-Year Forecast and Revenue Projections.

e) During the annual Capital Budget process for multi-year budgeted projects, the City Manager will provide the Council with more information regarding the project including the original budget, budget addendums, and the projected schedule in spreadsheet format.

f) At the time of award of the construction contract, each project shall include reasonable provision for contingencies.

g) At the time of award of the construction contract, each project shall include reasonable provisions for furniture, fixtures, equipment, and technology that are separately identified in a line item or items in the construction budget and those costs shall be noted in the staff report to the Council.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

h) At the time of award of the construction contract, each project's estimated annual operating and maintenance costs shall be identified in the staff report to the Council and shall be included in the Operating Budget or in the Five Year Forecast and Revenue Projections for projects expected to be completed after the end of the budget year.

i) The contingency amounts to be used for various types of projects were approved by the City Council on December 3, 2002 and amended on December 15, 2009, and are as follows:

- 5% of the total contract for street, sidewalk and park projects;
- 10% of the total contract amount for trails, utilities and building projects;
- 15% of the total contract amount for building renovation projects; or
- Such other amounts as approved by the Mayor/City Council for a particular project.

j) Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.

k) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project's budgeted appropriation, including contingency, will be replaced with a new appropriation equal to the approved project contract contingency developed in the manner described above.

l) The City Administration shall seek ways of ensuring that administrative costs of carrying out the Capital Improvement Program are kept at appropriate levels.

m) The Annual Capital Budget shall include only those projects that can reasonably be accomplished in the indicated timeframe. Multi-year budgeting of projects shall be used to ensure a reasonable timeframe for projecting costs. The detail sheet for each budgeted capital project should include a projected schedule.

n) The status of all capital projects, and the entire Capital Budget, will be monitored by the Mayor/Council as part of the Mid-Year Budget Review. Large projects of crucial importance may be monitored on a more frequent basis as determined by the City Council.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

1. Fiscal Policies (Cont'd.)

o) Capital projects that are not encumbered or completed during the fiscal year will be re-budgeted to the next fiscal year except as reported to and subsequently approved by the City Council. All re-budgeted capital projects should be so noted in the Proposed Capital Budget.

2. Capital Improvement Plan Policies

Public participation in the Capital Improvement Program is a priority concern for the City. Among the activities conducted to address this need are the following:

a) The Capital Improvement Plan shall be provided to the City Council in a timely manner as required by the City Charter to allow for Council members to review the proposal with constituents before it is considered for adoption.

b) Council budget review study sessions on the Capital Improvement Plan shall be open to the public and advertised sufficiently in advance of the meetings to allow for public attendance.

c) Prior to the adoption of the Capital Improvement Plan, the City Council shall hold noticed public hearings to provide an opportunity for residents to express their opinions on the proposed plan.

d) The City Planning Commission shall review the proposed Capital Improvement Plan and provide their comments on its contents before the Council considers the plan for final adoption.

e) All projects included in the Capital Improvement Program shall be consistent with the City's General Plan and the City's Energy and Water Policies. The goals and policies within the General Plan relating to community development, housing, services and facilities, transportation, solid waste, aesthetic, cultural and recreational resources, natural resources and hazards should be followed in the development of the Capital Improvement Plan. The General Plan service-level goals will be clearly stated in the Capital Improvement Program.

f) Capital projects shall be financed to the greatest extent possible through user fees and benefit districts where construction of the project results in direct benefit to users.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

2. Capital Improvement Plan Policies (Cont'd.)

g) The Council will annually review and establish criteria for measuring proposed capital improvement projects. Among the factors that will be considered for priority ranking are the following:

- Projects that have a positive impact on the operating budget, such as reduced expenditures or increased revenues.
- Projects that are programmed in the Five-Year Operating Budget Forecast.
- Projects that can be completed or significantly advanced during the Five-Year Capital Improvement Plan.
- Projects that can realistically be accomplished during the year they are scheduled.
- Projects that implement prior Council-adopted reports and strategies.

h) Projects that involve inter-governmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.

3. Debt

The City Council has adopted a Debt Management Policy (Council Policy 1-15) that establishes the following equally important objectives:

a) Minimize debt service and issuance costs.
b) Maintain access to cost-effective borrowing.
c) Achieve the highest practical credit rating.
d) Full and timely repayment of debt.
e) Maintain full and complete financial disclosure and reporting.
f) Ensure compliance with applicable state and federal laws.

As described in Council Policy 1-15, prior to bringing forward a lease financing (financing the acquisition, construction, or improvement by the City of real property or equipment) to the City Council for approval, the Finance Department shall perform initial due diligence on the project to be financed. The due diligence will include identifying the revenue source for repayment, and performing a feasibility study to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections, including worst/best case scenarios and the impact on any repayment source identified as the backstop to the project revenues. In order to proceed with the preparation of the documents necessary for the lease financing, two-thirds majority approval by the City Council of the proposed plan of finance is required. When the lease financing is brought forward for City Council approval, the Finance Department will provide the City Council with an update to the due diligence report and any feasibility study.

OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY (COUNCIL POLICY 1-18)

CAPITAL IMPROVEMENT PROGRAM

3. Debt (Cont'd.)

Approval of the lease financing will require two-thirds majority approval by the City Council. These provisions do not apply to a refunding of a lease financing transaction.

In order to reduce the principal on outstanding debt and minimize debt service costs, one-time savings generated from debt restructurings and refundings should be used to pay down the outstanding principal of other existing City debt, whenever possible, taking into consideration any fund restrictions.

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

The City Council adopted on August 22, 2000, an Estimating Construction Costs and Development of Project Budget Policy (Council Policy 8-12) to improve the quality and effectiveness of the City's Capital Budget Process and accuracy of capital project construction by assuring that:

1. Capital projects have realistic budgets.
2. The City Council has enough information and data to establish the budget once a project is approved.
3. The public is clearly informed about project "budgets".

This policy improves the Capital planning and budgeting process by setting definitions of project estimation relative to the degree of project design definition and level of completion. The policy establishes a consistent and uniform approach for estimating and reporting construction project costs and establishing realistic construction project budgets.

POLICY

"Program" and "Preliminary" level estimates are useful tools in a long-term capital budget planning process. However, an estimate must have a level of certainty provided by a "Budget" level estimate to realistically establish a final project.

From project initiation as a concept through the award of a construction contract, there are six essential milestones or steps in the development of a project. These steps are shown below.

At various points within these steps, four different kinds of estimates that are prepared as the project progresses from start to finish. As more detail, specificity and definition are developed through the stages of design, these estimates become more certain and realistic as noted below.

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

POLICY

The six milestones or steps in a project and the point at which these estimates are prepared are as follows:

Project Milestone/Phase	Type of Estimate
1. Project Initiation	Program Estimate
2. Planning/Programming	Preliminary Estimate
3. Design	
Conceptual Design	
Schematic Design	Budget Estimate
4. Construction Documents/ Bidding/Contract Award	Engineer's Estimate
5. Construction	
6. Occupancy/Opening	

The four estimates are defined by this policy as follows:

- **The "Program Estimate"** is created in the Project Initiation Phase for the long-term, multi-year planning and for initial feasibility studies. It is based on a general description of the project as a concept and does not include any design, architectural work or detailed scope. It may typically include components for land acquisition, design, construction, and construction management.
  Level of Certainty: ± 35%

- **The "Preliminary Estimate"** is prepared during the Planning/Programming Phase and is based on an initial program containing building and site square footages and general site work. It is typically not based on any formal engineering or architectural work, which usually has not yet occurred. The Preliminary Estimate is most commonly used to develop the next year's budget or to add a project to a current year budget to allow for further design development. For smaller projects of shorter duration and minimal complexity, the Program Estimate step may be eliminated in favor of the Preliminary Estimate.
  Level of Certainty: ± 20%

ESTIMATING CONSTRUCTION COSTS AND DEVELOPMENT OF PROJECT BUDGET POLICY (COUNCIL POLICY 8-12)

POLICY

- **The "Budget Estimate"** is prepared during the Schematic Design Phase and is based on a defined scope and schematic design work. It is prepared using estimated material quantities and unit prices taken from the plans and applying a general unit cost to each item. This estimate includes all changes in definition and scope that have been identified and incorporated into the project design since the Preliminary Estimate. Items associated with the commencement of construction such as bonds, insurance, mobilization and overhead costs are also included. This estimate is used for evaluating project alternatives, value engineering, and evaluation of the project budget established by the Preliminary Estimate in the Planning/Programming Phase. For projects of a multi-year duration, the Budget Estimate should include an inflationary factor that escalates the cost to the dollar value at the mid-point of the construction schedule.
  Level of Certainty: ± 10%

- **The "Engineer's Estimate"** is a detailed estimate prepared using the final construction documents prior to bidding and contract award. It is prepared using unit prices for exact quantities of materials and labor taken from the plans. The Engineer's Estimate is used to establish the final funding within the budget and to evaluate bids received.
  Level of Certainty: ± 5%

Smaller projects of shorter duration may not require all four levels of estimates. In most cases, however, a larger project would require as a minimum "Preliminary", "Budget", and "Engineer's" estimates.

To support the establishment and implementation of this policy, a set of detailed administrative procedures to be followed for project managers and staff engaged in capital construction projects will be developed. These procedures are to provide specific and detailed instructions and guidelines on how and when estimates are prepared, reviewed and approved in accordance with this Council Policy.

CITY OF SAN JOSE BUDGET PRINCIPLES

The Mission of the City of San José is to provide quality services, facilities and opportunities that create, sustain and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors. The General Fund Budget shall be constructed to support the Mission.

1) STRUCTURALLY BALANCED BUDGET

The annual budget for the General Fund shall be structurally balanced throughout the budget process – with ongoing revenues that equal or exceed ongoing expenditures in both the Proposed and Adopted Budgets – and the General Fund Proposed Budget balancing plan shall be presented and discussed in context of the five-year forecast. Any significant revision(s) to the Proposed Budget shall include an analysis of the impact on the forecast out years. If a structural imbalance occurs, a plan shall be developed and approved to offset the impact and to bring the budget back into structural balance. The plan to restore balance may include general objectives as opposed to using specific budget proposals in the forecast out years.

2) USE OF ONE-TIME RESOURCES

Once the General Fund budget is brought into structural balance, one-time resources (e.g., revenue spikes, budget savings, sale of property, and similar nonrecurring revenue) shall not be used for current or new ongoing operating expenses. Examples of appropriate uses of one-time resources include rebuilding the Budget Stabilization Reserve, early retirement of debt, capital expenditures without significant operating and maintenance costs, and other nonrecurring expenditures. One-time funding for ongoing operating expenses to maintain valuable existing programs may be approved by a majority vote of the City Council with the acknowledgement of a corresponding structural imbalance that will need to be corrected in the subsequent year.

3) BUDGET REQUESTS

Consideration of new programs or services, or requests for additional staffing shall only take place during the development of the Proposed Budget so as to evaluate potential service expansions within the context of the City's budgetary position and other City Council priorities. Any exception shall include a spending offset at the time of the request – including future year impacts – so that the request has a net-zero effect on the budget. Any request to develop or implement new policies using existing resources shall provide sufficient information for the City Council and staff to understand the required level of effort for implementation and any tradeoffs that may be necessary prior to City Council approval.

4) RESERVES

All City Funds shall maintain an adequate reserve level and/or ending fund balance as determined annually as appropriate for each fund and/or in accordance with City Council policy. For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, shall be maintained. Any use of the General Fund Contingency Reserve would require a two-thirds vote of approval by the City Council. On an annual basis, specific reserve funds shall be reviewed to determine if they hold greater amounts of funds than are necessary to respond to reasonable calculations of risk. Excess reserve funds may be used for one-time expenses.

Original City Council Approval 03/18/08
Revised 03/17/26

CITY OF SAN JOSE BUDGET PRINCIPLES

5) DEBT ISSUANCE

The City shall not issue long-term (over one year) General Fund debt to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

6) EMPLOYEE COMPENSATION

Negotiations for employee compensation shall focus on the cost of total compensation (e.g., salary, step increases, benefit cost increases) while considering the City's budgetary condition, revenue growth, and changes in consumer pricing (cost of living expenses experienced by employees).

7) CAPITAL IMPROVEMENT PROJECTS

Capital Improvement Projects shall be evaluated based on the entire cost of the project, including operations and maintenance, deferred maintenance impacts, and eventual replacement needs, as well as climate related risks and resilience needs. Investments should generally be prioritized to address deferred infrastructure and reduce the existing maintenance backlog above creation of new infrastructure. Postpone the construction or opening of a new site or facility if adequate and sustainable operations and maintenance funding cannot be identified.

8) FEES AND CHARGES

Fees shall be maintained or increased to ensure 100% cost recovery to the extent feasible and in consideration of the equity impacts of underserved communities. Explore opportunities to establish new fees for services where appropriate.

9) GRANTS

City staff shall seek out, apply for and effectively administer federal, State and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. One-time operating grant revenues shall not be used to begin or support the costs of ongoing programs with the exception of pilot projects to determine their suitability for long-term funding.

10) PERFORMANCE-BASED BUDGETING

All requests for funding shall consider performance data to evaluate efficiency, effectiveness, and outcomes to the community. Performance measures shall be used to inform budget decisions, monitor results, and promote accountability.

11) TRANSPARENCY AND PUBLIC ENGAGEMENT

Promote transparency through clear, accessible budget information and meaningful public engagement, including service level tradeoffs and long-term impacts of budget decisions.

12) GENERAL PLAN

The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

Original City Council Approval 03/18/08
Revised 03/17/26

CITY SERVICE AREA POLICY FRAMEWORK

A variety of master plans, strategic plans, regulations, and City Council direction comprise a City Service Area policy framework that guides City operations and the development of the Capital and Operating Budgets. A listing of the framework's major components is provided below.

- ActivateSJ Strategic Plan
- Airline Master Lease Agreements
- Airport Master Plan
- Airport Public Art Master Plan (2005)
- Airport Security and Traffic Relief Act (ASTRA) Ballot Measure A
- Aquatics Master Plan (2007)
- Blue Ribbon Report (2008)
- Business Process Transformation/Infrastructure Optimization Information Technology 10-Year Investment Roadmap
- City Charter and Municipal Code
- City Council Focus Areas
- City Council Policies
- City Council Priorities
- City of San José Consolidated Plan
- City of San José Traffic Calming Policy and Traffic Signal Warrant Policy
- City of San José Transportation Impact Policy
- Cultural Connection: San José's Cultural Plan for 2011-2020
- Deferred Maintenance and Infrastructure Backlog Status Report
- Destination: Home Community Plan to End Homelessness (2015)
- Economic Development Strategy
- Education and Digital Literacy Strategy
- Environmental Management Policies as set by regulatory agencies, including Caltrans Aeronautics Program, California Air Resources Board, Bay Area Air Quality Management District, Regional Water Quality Control Board, California Department of Fish and Game, Santa Clara Valley Water District, and Santa Clara County Department of Environmental Health
- Envision San José 2040 General Plan
- Federal Aviation Administration and Transportation Security Administration Policies and Mandates
- Framework for Evaluating Proposed Conversions of Industrial Lands (updated 2007)
- Greenprint: A 20-Year Strategic Plan for Parks and Community Facilities and Programs (2009)
- Information Technology Operations – Green Technology Initiatives
- Investment and Debt Management Policies
- Local Area Development Policies (i.e., North San José, Edenvale, and Evergreen)
- National Pollutant Discharge Elimination System Stormwater Permit (2022)
- National Pollutant Discharge Elimination System Wastewater Permit (2020)
- Neighborhood Security Bond Act (2002)

- "One Voice" Development Services
- Parks and Library Bond Measures (2000)
- Priority Street Network (2012)
- Public Art Master Plan (2007)
- Public Art Policy
- San José Greater Downtown Strategy for Development: Downtown Parking Management Plan (2007)
- San José Green Vision (2007)
- San José Public Library Master Plan and Branch Facilities Master Plan (2008)
- San José City Roadmap (2021)
- San José Smart City Vision
- San José Youth Empowerment Alliance
- Santa Clara County Emergency Medical Services Contract (2010)
- Santa Clara Valley Habitat Conservation Plan/Natural Community Conservation Plan (2013)
- Schools and City Collaborative Policy
- Strategic Plan for Persons with Disabilities (2000)
- Sustainable City Major Strategy
- Taxi Regulatory and Service Model Study
- Ten-Year Strategic Plan to Advance the Well-Being of Older Adults in Santa Clara County
- Trail Master Plans
- Transportation 2035 Plan for the San Francisco Bay Area (Metropolitan Transportation Commission)
- Transportation Level of Service Policy
- Tree Preservation Policy
- Urban Environmental Accords
- Urban Runoff Management Plan (URMP)
- Use of Plant Buffer Lands Policy
- Valley Transportation Plan 2040 (VTA)
- Vision Zero San Jose
- Water Pollution Control Plant Master Plan (2013)
- Various City of San José policies, ordinances, and studies
- Zero Waste Strategic Plan 2022

SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET PRODUCTION TOOLS

The following information summarizes the significant accounting practices of the City of San José.

BUDGETARY BASIS

The budget is prepared in accordance with Generally Accepted Accounting Principles, except for encumbrances being recognized as expenditures. The budget for governmental funds has been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures when the related fund liability is incurred. Revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

FUND STRUCTURE AND BASIS OF ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Under the modified accrual basis of accounting, revenues are recognized only to the extent that they are susceptible to accrual, which means "when they become both measurable and available to be used to finance expenditures of the fiscal period." Revenue is considered to be available when it is "collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period." If accrued revenues are not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue, and revenue recognition occurs only when the revenue becomes available. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. The various funds are grouped into three broad fund categories (governmental, proprietary, and fiduciary). A general description of each follows:

- ***Governmental Fund Types***

  Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental funds include the General Fund, Special Revenue, Debt Service, and Capital Project funds of the City. These funds are maintained on a modified accrual basis where the measurement focus is on the current financial resources and the recognition of revenue in the period when the revenue becomes both measurable and available to finance expenditures of the fiscal period.

SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET PRODUCTION TOOLS

FUND STRUCTURE AND BASIS OF ACCOUNTING

- ***Proprietary Fund Types***

Proprietary funds, which include Enterprise and Internal Service funds, are used to account for the City's business-type activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting, which are the same as used for private-sector business enterprises. These funds are used where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- ***Fiduciary Fund Types***

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds; therefore, these funds cannot be used to support the City's own programs and are not included in the government-wide financial statements. Fiduciary funds include pension (and other post-employment benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds. Investment trust funds are used to report on the external portion of investment pools. Private-purpose trust funds are used to report on trust arrangements under which principal and income benefit individuals, private organizations, or other governments, and to report the assets and liabilities of the dissolved Redevelopment Agency. Agency funds are used to account for resources held in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

OVERHEAD COST ALLOCATION

All overhead costs are allocated to the appropriate program within the limits of local, state, and federal laws. The City utilizes a two-step method (double-step-down method) where costs are first allocated among the central service support programs to arrive at the total cost of the central service programs. These total costs are then allocated down to the departments and funds that are benefiting from these expenses. The Finance Department uses this process to develop overhead rates that recover these central support program costs borne by the General Fund from various funds and fee programs. The corresponding revenue is collected by the General Fund.

BUDGET PRODUCTION TOOLS

The City uses a variety of software tools to develop and monitor the budget. Hyperion is an integrated budgeting platform to develop, monitor and adjust the capital budget, including an interface with the City's Financial Management System, which houses all of the City's financial transactions. Hyperion allows for detailed budgeting and tracking by cost element, revenue source, and operations and maintenance costs associated with the projects once they are completed. Nearly all of the detailed tables produced in this budget document are produced from Hyperion.

SIGNIFICANT ACCOUNTING PRACTICES AND BUDGET PRODUCTION TOOLS

The Capital Program Management System (CPMS) is a web-based project management system that serves both City staff and members of the public. It provides project tracking, reporting, and communication tools that allow project managers to effectively coordinate and manage resources across large, complex capital improvement projects, while keeping City staff and members of the public informed. The system has three core functional components: Project Life-Cycle Management, Cost/Resource Management, and File Management. Overseen by the Public Works Department, CPMS is accessible at https://www.sanjoseca.gov/your-government/departments-offices/public-works/resources/construction-projects-records-search.

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DEBT SERVICE OBLIGATIONS

OVERVIEW

The City debt service obligations include general obligation bonds, lease revenue bonds, enterprise revenue bonds and notes, commercial paper notes, and tax and revenue anticipation notes. The City of San José Financing Authority has issued lease revenue bonds and lease revenue commercial paper notes for which the City is responsible to make lease payments, and also has issued enterprise revenue bonds and revenue notes.

- **General Obligation Bonds (GO Bonds)** are issued to finance various public improvements in the City for which the source for repayment is the levy of additional ad valorem tax on property within the City.

- **City of San José Financing Authority Lease Revenue Bonds (CSJFA Bonds)** are secured by the CSJFA pledge of lease revenues received by the CSJFA under a Project Lease of a leased asset between the City and the CSJFA. The City makes lease payments to the CSJFA in exchange for use of the leased property, and covenants to appropriate funds annually while the City has beneficial use of the leased asset. These payments are included in the City budget as part of the annual appropriation process.

- **Enterprise Revenue Bonds and Notes** are issued by the City or one of its related entities to acquire or construct assets owned or co-owned by the City whereby the City or a related entity pledges revenues derived from the asset or enterprise to pay the debt service.

- **Commercial Paper Notes (CP Notes)** are short-term promissory notes issued by the City or its related entities with a maturity of 270 days or less. CP Notes are used principally as interim financing for projects. Maturing CP Notes are repaid from the proceeds of the sale of new commercial paper notes or bonds, or from other funds provided by the City.

- **Tax and Revenue Anticipation Note** is a short-term promissory note that is issued for cash flow purposes and repaid by the City from ad valorem property tax revenues or other tax and revenues anticipated to be received by the City within the same fiscal year.

- **Successor Agency to the Redevelopment Agency of the City of San José (SARA)** debt was issued to finance redevelopment activities within, or of benefit to, the Redevelopment Agency's Merged Project Area in accordance with California Community Redevelopment Law. The principal source of repayment for SARA debt is property tax increment revenues from a redevelopment property tax trust fund. No further debt can be issued per California State legislation except for refunding bonds.

CITY CHARTER AND COUNCIL POLICIES

The City of San José Charter establishes the following requirements associated with debt limitations:

- Section 1216 sets the bonded debt limit for General Obligation bonds at fifteen percent (15%) of the total assessed valuation of all the real and personal property within the City.

- Section 1220 establishes the power of the City Council to issue revenue bonds to finance the acquisition, construction, establishment, expansion, improvement, maintenance, operation, and administration of off-street vehicular parking facilities within the City or of municipal airport facilities. No additional voter authorization is necessary to issue bonds under this section of the City Charter.

- Section 1221 provides that no revenue bonds may be issued by the City for the purpose of supplying its inhabitants, or any portion thereof, with water, light, heat, power, railroad, motor vehicle transportation services (other than airport service), telephone, telegraph, or wireless communication service unless authorized by the affirmative vote of a majority of the electors voting on such a proposition in each case.

- Section 1222 states that revenue bonds may be issued by the City for purposes other than those specified in Sections 1220 and 1221 only under and pursuant to the laws of the State of California.

The City Council has adopted a general debt management policy that allows flexibility when opportunities arise but at the same time establishes parameters for entering into debt obligations. The *Debt Management Policy (Council Policy 1-15)* for the City was adopted by the City Council on May 21, 2002, and most recently amended on March 11, 2025. In addition, the City Council has approved two supplemental financing policies: (1) *Policy for the Issuance of Multifamily Housing Revenue Bonds (Council Policy 1-16)* and (2) *Criteria and Guidelines for Bond Financing of Residential Development Policy (Council Policy 1-14)*. The first set of program-specific financing policies for debt issued for multifamily housing projects in the City *(Council Policy 1-16)* was adopted by the City Council on June 11, 2002 and most recently amended on April 29, 2025.

DEBT STATUS AND CAPACITY

The City of San José Charter limits bonded indebtedness for GO Bonds to fifteen percent (15%) of the total assessed valuation of all real and personal property within the City. For tax year 2026, the total assessed value of the taxable property, provided by the County, was approximately $266.8 billion, which results in a total debt limit capacity of approximately $40.0 billion. As of June 30, 2026, the City estimates $668.7 million in GO debt outstanding, representing 1.7% of the debt limit and leaving a debt margin of $39.3 billion (debt limit less outstanding GO debt).

On January 24, 2012, the City Council affirmed its decision to serve as the Successor Agency to the Redevelopment Agency (SARA) effective February 1, 2012. SARA has total principal debt outstanding of $872.2 million, consisting of three series of Merged Area Tax Allocation Bonds, as of June 30, 2026.

DEBT SERVICE OBLIGATIONS

Tables A through C in the following pages illustrate the debt service obligations of the City and its related entities, excluding Multifamily Housing Revenue conduit debt and debt issued by SARA. As shown in Table A, the City had additions in long-term debt of $257.4 million and repaid and/or refunded $120.2 million of long-term debt in 2025-2026, resulting in an estimated total long-term debt balance of $2.5 billion as of June 30, 2026. Table B summarizes the City's and related entities' long-term (by issuance and final maturity) and short-term debt. The combined outstanding debt balance is approximately $2.6 billion as of June 30, 2026. It should be noted that long-term lease obligations are not considered indebtedness under the State Constitution; however, long-term lease obligations have been included in this listing for transparency. Table C summarizes the City and related entities' annual requirements to amortize principal and pay the interest due on all long-term debt outstanding for each of the next five fiscal years and thereafter.

Descriptions of the City of San José and related entity debt issuance for 2025-2026, as well as debt planned for 2026-2027, are provided in the following sections.

FISCAL YEAR 2025-2026 DEBT ISSUANCE

The following debt issuances/draws were completed in Fiscal Year 2025-2026:

- **City of San José General Obligation Bonds**. On July 23, 2025, the City issued $209.6 million of GO Bonds, Series 2025ABC, the third and final issuance of bonds under the Measure T authorization for Disaster Preparedness, Public Safety, and Infrastructure, approved by the voters in November 2018. The debt service on the GO Bonds will be payable from the ad valorem taxes levied upon all property subject to taxation by the City.

- **City of San José Financing Authority Lease Revenue Bonds**. On August 19, 2025, the CSJFA issued $47.8 million of Lease Revenue Bonds, Series 2025A (Civic Center Garage and Muni Water Building Projects) (2025A Bonds). The 2025A Bonds were issued to (i) refund the outstanding CSJFA 2013B Bonds, (ii) refinance tax-exempt lease revenue CP Notes, Series 1 issued by CSJFA to finance, on an interim basis, the construction of a new administrative and operations building and the acquisition, construction, and installation of related capital projects for the Water Resources Division (Muni Water Project), (iii) finance additional costs of the Muni Water Project, and (iv) pay the costs incurred with the issuance of the 2025A Bonds. The debt service on the 2025A Bonds will be payable from and secured by a first pledge of and lien on revenues received by the CSJFA from the City under a lease.

- **City of San José Financing Authority Subordinate Wastewater Revenue Note, Series A**. The CSJFA drew $50.0 million of the Subordinate Wastewater Revenue Notes to finance capital improvements at the San José-Santa Clara Regional Wastewater Facility in August 2025.

- **City of San José Financing Authority Lease Revenue Commercial Paper Notes, Series 1**. The CSJFA is anticipating to issue CSJFA Taxable CP Notes in the amounts of $13.5 million to provide interim financing for the purchase of 447 S Almaden Blvd and $2.0 million for the 2017 Floods project, and CSJFA Tax-Exempt CP Notes in the amount of $6.5 million for the Muni Water Advanced Metering Infrastructure project by June 30, 2026.

FISCAL YEAR 2026-2027 PLANNED DEBT ISSUANCE

- **City of San José Financing Authority Lease Revenue Commercial Paper Notes, Series 1**. The City anticipates issuing up to $11.5 million of CSJFA Tax-Exempt CP Notes for the Muni Water Advanced Metering Infrastructure project.

- **San José Mineta International Airport.** The City will evaluate options to refund the outstanding $514.1 million of Airport Revenue Refunding Bonds, Series 2017A (AMT) and Series 2017B (Non-AMT).

DEBT SERVICE OBLIGATIONS

(A) Summary of Changes in Long-Term Debt for the Year Ending June 30, 2026
(In Thousands of Dollars)

	Balance July 1, 2025	Additions to Long-Term Obligations	Current Maturities and Retirements	Balance June 30, 2026
GENERAL LONG-TERM DEBT				
General Obligation Bonds	$ 497,265	$ 209,570	$ 38,120	$ 668,715
CITY OF SAN JOSE FINANCING AUTHORITY				
Lease Revenue Bonds, Series 2013B	20,740	-	20,740	-
Lease Revenue Bonds, Series 2020A	270,500	-	16,995	253,505
Lease Revenue Bonds, Series 2020B	137,465	-	3,645	133,820
Lease Revenue Bonds, Series 2021A	18,410	-	1,595	16,815
Lease Revenue Bonds, Series 2022A	159,895	-	3,580	156,315
Lease Revenue Bonds, Series 2025A	-	47,810	1,600	46,210
CITY OF SAN JOSE ENTERPRISE FUNDS				
Airport Revenue Bonds	990,568	-	29,516	961,052
CITY OF SAN JOSE FINANCING AUTHORITY				
Wastewater Revenue Bonds Series 2022B	260,250	-	4,365	255,885
TOTAL	**$ 2,355,093**	**$ 257,380**	**$ 120,156**	**$ 2,492,317**

DEBT SERVICE OBLIGATIONS

B) Summary of Bonds and Notes Outstanding at June 30, 2026 by Individual Issue

(In Thousands of Dollars)

	Due To	Effective	($ Thousands)
CITY OF SAN JOSE			
General Obligation Bonds, Series 2019A-1	2050	5.00%	$ 140,360
General Obligation Bonds, Series 2019B	2028	2.50-2.60%	40,200
General Obligation Bonds, Series 2019C	2036	5.00%	148,955
General Obligation Bonds, Series 2021A	2052	5.00%	142,270
General Obligation Bonds, Series 2025A	2056	5.00%	181,740
General Obligation Bonds, Series 2025B	2031	4.10-5.00 %	15,190
Total City of San José			$ 668,715
CITY OF SAN JOSE FINANCING AUTHORITY			
Lease Revenue Bonds, Series 2020A	2039	1.46-2.88%	$ 253,505
Lease Revenue Bonds, Series 2020B	2051	1.72-3.52%	133,820
Lease Revenue Bonds, Series 2021A	2035	4.00%	16,815
Lease Revenue Bonds, Series 2022A	2052	3.59-4.86%	156,315
Lease Revenue Bonds, Series 2025A	2055	5.00%	46,210
Commercial Paper Notes	Short Term	Variable	23,768
Total City of San José Financing Authority			$ 630,433
ENTERPRISE FUNDS			
San José Mineta International Airport			
Revenue Bonds, Series 2017A (AMT)	2047	4.00-5.00%	$ 390,000
Revenue Bonds, Series 2017B (Non-AMT)	2047	4.00-5.00%	124,085
Revenue Bonds, Series 2021A (AMT)	2034	4.00-5.00%	71,245
Revenue Bonds, Series 2021B (Non-AMT)	2034	4.00-5.00%	43,710
Revenue Bonds, Series 2021C (Taxable)	2041	1.73-3.29%	274,095
Revenue Bonds, Series 2024A (AMT)	2031	3.74%	57,917
Commercial Paper Notes	Short Term	Variable	11,806
City of San José Financing Authority			
Wastewater Revenue Bonds, Series 2022B	2053	5.00%	255,885
Subordinate Wastewater Revenue Note	Short Term	Variable	90,098
Total Enterprise Funds			$ 1,318,841
GRAND TOTAL			**$ 2,617,989**

DEBT SERVICE OBLIGATIONS

(C) Annual Requirements to Amortize Principal and Interest Due on All Long-Term Debt Outstanding as of June 30, 2026

(In Thousands of Dollars)

Year Ending June 30	City of San José	City of San José Financing Authority	Enterprise Funds
2027	59,267	49,504	90,570
2028	59,237	49,513	90,551
2029	58,065	49,514	90,827
2030	57,088	49,512	90,826
2031	56,103	49,514	90,478
Thereafter	833,379	606,497	1,461,130
Total	**$ 1,123,139**	**$ 854,054**	**$ 1,914,382**

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GENERAL FUND OVERVIEW

Introduction

For 2026-2027, General Fund revenue estimates (excluding Fund Balance) total $1.5 billion, representing a 2.1% drop from the 2025-2026 Adopted Budget level. When the Fund Balance-Carryover is included, General Fund resources total $1.6 billion, which is 12.9% below the prior year. This comparison, however, is misleading as the Proposed Budget does not yet contain estimates for carryover rebudget funding, which was a significant portion of the 2025-2026 Adopted Budget total. Rebudgets for the 2026-2027 Budget will be brought forward later in the budget process.

Estimates for the 2026-2027 Beginning Fund Balance and for over 450 separate General Fund revenue accounts were formulated as part of the 2027-2031 Five-Year Forecast that was released at the beginning of March 2026. These estimates have been reviewed continually since the Forecast document was released and have been revised, as appropriate, in the Proposed Budget based on updated information. Estimates for each account are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Most estimates involve two projections: an estimate for the amount to be collected in 2025-2026; and an estimate for the increase or decrease in activity, resulting in the anticipated receipts for 2026-2027. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The 2026-2027 General Fund revenue estimates are summarized below and discussed in detail in the material that follows.

Revenue Category	1 2024-2025 Actuals	2 2025-2026 Adopted	3 2026-2027 Forecast	4 2026-2027 Proposed	2 to 4 % Change	% of Total
Property Tax	$ 498,478,297	$ 536,500,000	$ 548,000,000	$ 548,000,000	2.1%	33.6%
Sales Tax	331,430,656	340,000,000	310,700,000	310,700,000	(8.6%)	19.1%
Transient Occupancy Tax	17,212,205	18,000,000	18,000,000	24,750,000	37.5%	1.5%
Franchise Fees	58,458,709	58,988,263	58,038,263	58,444,026	(0.9%)	3.6%
Utility Taxes	139,896,807	143,800,000	145,150,000	145,150,000	0.9%	8.9%
Business Taxes	87,693,311	85,000,000	90,000,000	90,551,000	6.5%	5.6%
Telephone Line Tax	21,989,227	22,000,000	22,000,000	22,000,000	0.0%	1.3%
Licenses and Permits	22,266,806	22,574,591	21,412,282	22,355,627	(1.0%)	1.4%
Fees, Rates, and Charges	26,305,211	32,270,988	29,220,875	31,513,599	(2.3%)	1.9%
Fines, Forfeitures and Penalties	19,740,923	15,280,000	18,610,000	18,777,500	22.9%	1.2%
Rev. from Money and Property	20,214,200	21,935,000	19,500,000	20,000,000	(8.8%)	1.2%
Rev. from Local Agencies	22,201,684	22,132,609	18,232,004	18,705,579	(15.5%)	1.1%
Rev. from State of California	39,382,713	31,982,501	11,500,000	11,500,000	(64.0%)	0.7%
Rev. from Federal Government	6,433,084	7,249,884	0	1,762,686	(75.7%)	0.1%
Other Revenue	19,803,291	12,392,952	11,486,625	11,632,345	(6.1%)	0.7%
Transfers and Reimbursements	143,439,459	145,867,936	143,143,004	148,218,380	1.6%	9.1%
Subtotal	**$ 1,474,946,583**	**$ 1,515,974,724**	**$ 1,464,993,053**	**$ 1,484,060,742**	**(2.1%)**	**91.0%**
Fund Balance-Carryover[1]	383,680,865	356,310,735	98,500,000	145,774,155	(59.1%)	9.0%
Total General Fund Sources	**$ 1,858,627,448**	**$ 1,872,285,459**	**$ 1,563,493,053**	**$ 1,629,834,897**	**(12.9%)**	**100.0%**

[1] The Fund Balance figure does not include the Reserve for Encumbrances.

Economic Performance

The following is a discussion of both the national and local economic outlooks used to develop the 2026-2027 revenue estimates. Various economic forecasts and models were reviewed in the development of the 2026-2027 revenue estimates. The City also uses an economic forecasting consultant and additional consultants that focus on particular revenue categories, such as Sales Tax and Transient Occupancy Tax, to assist in the development of the revenue estimates and to provide information on the future outlook in those areas. A more detailed discussion on forecasted economic conditions can be found in the 2027-2031 Five-Year General Fund Forecast.

National Outlook

The labor market is in a state of paralysis, with both hiring and separations remaining at low levels. Employment growth remains positive; however, the unemployment rate has risen to 4.4%. Both labor demand and supply are declining simultaneously, creating a fragile balance. The Forecast projected unemployment reaching 4.5% by the end of 2025, with recovery beginning in 2026 driven by fiscal and monetary stimulus and very heavy artificial intelligence investment. Higher artificial intelligence spending will increase economic activity into 2027 and beyond. The unemployment rate will decline into 2027 before beginning a very gradual increase.

On a national level, consumer confidence slightly rose in February. According to Dana M Peterson, Chief Economist at The Conference Board, "Confidence ticked up in February after falling in January, as consumers' pessimistic expectations for the future eased somewhat. Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. Comments about prices, inflation, and the cost of goods remained at the top of consumers' minds. Mentions of trade and politics also increased in February."[1]

City of San José Outlook

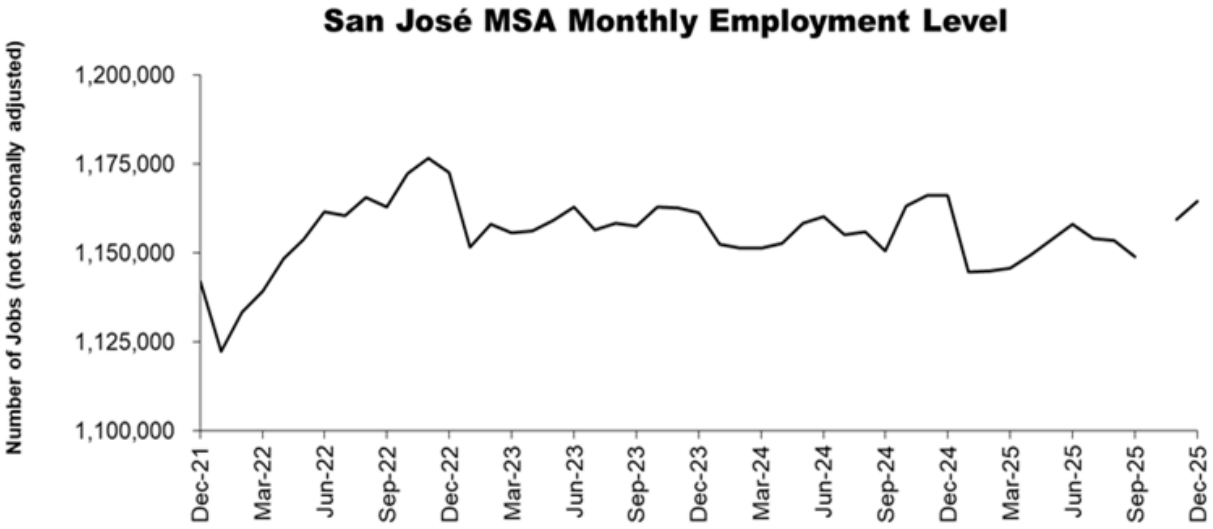
Silicon Valley's economy is fairly sluggish. The unemployment rate is essentially unchanged from the prior year level, though it remains relatively low, and job growth is relatively stagnant. Similarly, real estate activity has weakened, with single family median sale prices declining, property sales dropping, and homes staying on the market for slightly longer. On a positive note, construction activity (with the exception of the commercial category) is performing well, with residential and industrial activity showing growth.

The December 2025 employment level of 1.16 million in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) declined slightly (1,700 jobs or 0.1%) from the December 2024 level. This net decrease included professional and business services eliminating 8,600 jobs and manufacturing dropping by 3,500 jobs. Conversely, private education and health services added 7,100 jobs and leisure and hospitality grew by 1,900 jobs.[2]

[1] The Conference Board, Consumer Confidence Survey, February 2026.
[2] State of California Employment Development: Labor Market Information Division Press Release, January 23, 2026.

Economic Performance

City of San José Outlook



Due to the United States federal government shutdown that occurred from October 1, 2025 to November 12, 2025, the October 2025 employment data is unavailable.

Unemployment Rate (Unadjusted)			
	Dec. 2024	**Nov. 2025**	**Dec. 2025****
San José Metropolitan Statistical Area*	4.0%	4.3%	4.0%
State of California	5.2%	5.4%	5.1%
United States	3.8%	4.3%	4.1%

* San Benito and Santa Clara Counties Source: California Employment Development Department.
** December 2025 estimates are preliminary and may be updated.

The local unemployment rate for December 2025 was 4.0%, which is consistent with the prior year unemployment rate. Additionally, the December 2025 San José Metropolitan Statistical Area unemployment rate is lower than the unadjusted unemployment rate for the State (5.1%) and it is slightly lower than the national rate (4.1%).

Overall construction activity (valuation) through December 2025 increased 29.1% from prior-year levels, driven by residential and industrial construction activity and tempered by a decline in commercial construction activity. The 2025-2026 Adopted Budget was developed with the expectation that overall development activity would decrease slightly from the levels experienced in 2024-2025, but if current trends continue into 2026, construction activity will likely outperform the projections included in the 2026-2030 Five-Year Forecast.

Private Sector Construction Activity (Valuation in $ Millions)			
	YTD December 2024	**YTD December 2025**	**% Change**
Residential	$ 173.8	$ 412.6	137.4%
Commercial	$ 568.6	$ 433.5	(23.8%)
Industrial	$ 186.3	$ 352.3	89.2%
	$ 928.6	**$ 1,198.4**	**29.1%**

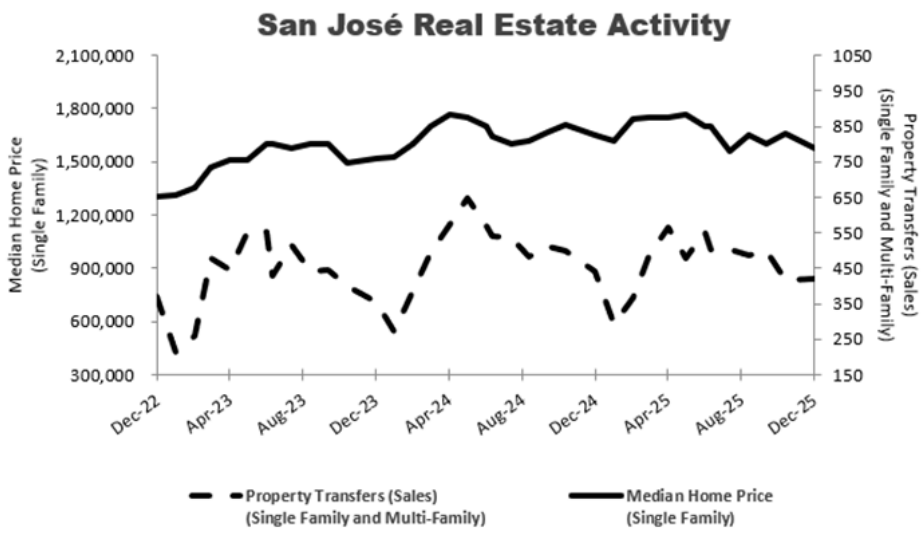
Economic Performance

City of San José Outlook

Residential permit valuation of $412.6 million through December 2025 is 137.4% higher relative to same period in 2024-2025 ($173.8 million). Construction activity through December included a total of 1,910 units, 1,659 multi-family units and 251 single-family units.

Commercial permit valuation of $433.5 million through December 2025 is 23.8% lower relative to the same period in 2024-2025 ($568.6 million), primarily due to new data center construction initiated in 2024-2025. New construction accounted for 27.3% ($118.1 million) of the commercial activity and alterations accounted for 72.7% ($315.4 million) through December 2025.

Industrial permit valuation of $352.3 million through December 2025 is 89.2% higher relative to the same period in 2024-2025 ($186.3 million). Alterations accounted for 75.7% ($266.6 million) of the industrial activity and new construction accounted for 24.3% ($85.8 million) through December 2025.



According to data from the Santa Clara County Association of Realtors, in December 2025, property transfers decreased by 5.0% compared to the prior year. Further, the December 2025 median home price was $1.6 million, which is 4.2% less than the December 2024 price of $1.7 million. Additionally, the December 2025 days on market was 35 days, compared to the December 2024 days on market of 30 days. Housing statistics have been suppressed for several years; for the most part sales haven't experienced a year-over-year increase since January 2025; the median home price is at its lowest level since January 2024 (with one exception); and the average days houses sat on the market has increased year-over-year since July 2024 (with one exception).

Revised General Fund Forecast

Between the issuance of the Five-Year Forecast in February 2026 and the release of the Proposed Budget in May 2026, revenue collections for 2026-2027 continued to be reviewed and updated. Based on this analysis, several of the revenue estimates presented in the February Forecast were revised in this budget to reflect more recent information. These adjustments resulted in a net $2.1 million increase to the General Fund Forecast, increasing the revenue estimate from $1.561 billion to $1.563 billion (including fund balance). Below is a summary table of the changes incorporated into the Revised Forecast, which were used as the starting point in preparing the 2026-2027 Proposed Budget.

Category	$ Change	Description
Property Tax	$ 4,000,000	Increase of $4.0 million as a result of the 2026-2027 revenue estimate being received from the State of California and Santa Clara County for Educational Revenue Augmentation Funds (ERAF) that will result in an ongoing revenue increase.
Beginning Fund Balance	2,500,000	Increase of $2.5 million reflects partial liquidation of the Revenue Loss Reserve to partially offset the anticipated decline in General Sales Tax County Pool receipts for 16 quarters as a result of a recently resolved dispute with the California Department of Tax and Fee Administration (CDTFA).
Transfers and Reimbursements	1,176,485	Increase of $1.2 million reflects updated overhead reimbursements from capital and operating funds based on the final 2026-2027 Base Budget and overhead rates.
Other Revenue	691,725	Increase of $691,725 reflects reimbursement revenue from Pacific Gas and Electric (PG&E) for staffing costs related to the Large Load Energy Program.
Revenue from Local Agencies	115,000	Increase of $115,000 aligns the revenue with the estimated payments from other agencies for comprehensive animal care and control services delivered by San José Animal Care and Services on behalf of the contracting jurisdictions.
Licenses and Permits	74,099	Net increase of $74,099 aligns revenues with estimated base costs and activity levels for the Multiple Housing Fee Program ($376,876) and the Animal Care and Services Fee Program (-$302,777).
Fees, Rates, and Charges	9,000	Net increase of $9,000 aligns revenues with estimated base costs and activity levels for Library Department fees.
Sales Tax	(6,500,000)	Decrease of $6.5 million to reflect the anticipated drop in General Sales Tax County Pool receipts resulting from a recently resolved dispute with the CDTFA, of which $2.5 million is a temporary annual reduction during the 16-quarter payback period.
Total	**$ 2,066,309**	

Changes from Revised Forecast to Proposed Budget

From the Revised Forecast of $1.563 billion, a net increase of $66.3 million to the General Fund revenue estimates is included in the Proposed Budget, bringing the 2026-2027 revenue estimate to $1.63 billion (including fund balance). The components of this change include an increase to the estimate for the 2025-2026 Ending Fund Balance/2026-2027 Beginning Fund Balance ($47.3 million) and an increase to various revenue categories ($19.1 million). The revenue changes are summarized in the table below.

Category	$ Change	Description
Beginning Fund Balance	$ 47,274,155	Increase of $47.3 million reflects: the liquidation of various reserves ($44.1 million), including the Budget Stabilization Reserve ($35.0 million), Information Technology Sinking Fund Reserve ($6.6 million), Artificial Turf Capital Replacement Reserve ($1.6 million), and Multiple Housing Fee Program Reserve ($900,000); liquidation of a carry-over encumbrance for the Business Tax System ($2.5 million); and rebudget of funds for expenditure-related items that will not occur until 2026-2027 ($734,000).
Transient Occupancy Tax	6,750,000	Increase of $6.8 million reflects the General Fund revenue increase from raising the Transient Occupancy Tax from 10% to 12%. The Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, directed the City Manager to assume the passage of Measure A in the 2026-2027 Budget. Measure A will be considered by San José voters on June 2, 2026.
Transfers and Reimbursements	5,075,376	Increase of $5.1 million reflects increased transfers ($4.9 million) from the following funds: Construction Excise Tax Fund ($1.5 million), San Jose Municipal Golf Course Fund ($1.5 million), General Purpose Parking Fund ($1.2 million), Integrated Waste Management Fund ($700,000), and Convention and Cultural Affairs Fund ($47,000). In addition, $128,376 reflects increased overhead from budget actions that change the staffing levels funded by special and capital funds.
Fees, Rates, and Charges	2,292,724	Net increase of $2.3 million primarily reflects new revenue anticipated to be received as a result of updating the Parks, Recreation and Neighborhood Services Department Fee Program ($2.1 million) and reducing the San José Recreation Preschool Program ($-155,257). In addition, $447,981 reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department ($243,527), Code Enforcement Program ($106,819), Animal Care and Services Program ($35,545), Library Department ($26,590), miscellaneous fees ($65,917), and Police Department (-$30,417).

Changes from Revised Forecast to Proposed Budget

Category	$ Change	Description
Revenue from Federal	$ 1,762,686	Increase of $1.8 million reflects new federal grant revenue for the Urban and Community Forestry Program.
Licenses and Permits	943,345	Net increase of $943,345 reflects various license and permit changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Animal Care and Services Fee Program ($329,183), Code Enforcement Fee Program ($254,863), Fire Development Fee Program ($228,291), and Police Department licenses and permits ($131,008).
Business Taxes	551,000	Increase of $551,000 reflects additional General Business Tax revenue anticipated to be received for delinquent business tax accounts as the result of adding a new Investigative Collector position in the Finance Department.
Revenue from Use of Money and Property	500,000	Increase of $500,000 reflects additional subrogation recovery revenue that is anticipated to be collected by the Finance Department.
Revenue from Local Agencies	473,575	Increase of $473,575 reflects new reimbursement funding from the Santa Clara Valley Water District for trail patrol along coyote Creek Trail ($162,500) and Gaudalupe River Trail ($162,500). In addition, reimbursement funding is anticipated from Valley Transportation Authority (VTA) for coordination with the City of San José and the VTA Board ($148,575).
Franchise Fees	405,763	Increase of $405,763 reflects a Commercial Solid Waste fees increase of 2.7% based on cost changes including a Consumer Price Index adjustment.
Fines, Forfeitures and Penalties	167,500	Increase of $167,500 reflects additional parking meter revenue in the Willow Glen area ($97,500), and the Downtown core ($70,000).
Other Revenue	145,720	Increase of $145,720 reflects revenue anticipated to be received from the Accounts Receivable Amnesty program that will be conducted by the Finance Department ($135,000), and reflects various fee changes to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels for the Transportation Department ($10,720).
Total	**$ 66,341,844**	

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PROPERTY TAX

2024-2025 Actual	$ 498,478,297
2025-2026 Adopted	$ 536,500,000
2025-2026 Estimate*	$ 523,200,000
2026-2027 Forecast	$ 548,000,000
2026-2027 Proposed	$ 548,000,000
% of General Fund	33.6 %
% Change from 2025-2026 Adopted	2.1 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.
** The 2026-2027 Forecast was increased by $4.0 million from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Property Tax Category	2026-2027 Proposed Budget
Secured Property Tax	$ 515,400,000
Unsecured Property Tax	18,700,000
SB 813 Property Tax	8,400,000
Aircraft Property Tax	4,500,000
Homeowner's Property Tax Relief	1,000,000
Total	**$ 548,000,000**

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner's Property Tax Relief.

In 2025-2026 Property Tax receipts of $523.2 million are projected, which is fairly consistent with the 2025-2026 Modified Budget estimate of $522.5 million, and is $24.7 million (5.0%) above the 2024-2025 actual collection level. In 2026-2027, Property Tax receipts are anticipated to total $548.0 million, which reflects overall growth of almost 5% from estimated 2025-2026 levels. Additional information about each of the Property Tax sub-categories is provided on the following pages.

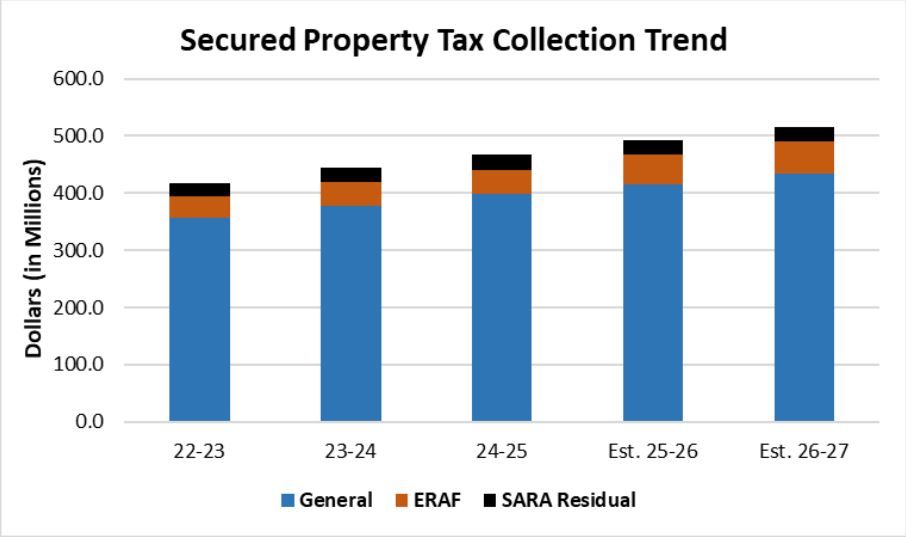
Secured Property Tax

Secured Property Taxes account for over 90% of the revenues in this category. The Secured Property Tax category includes general Secured Property Tax, Educational Revenue Augmentation Fund (ERAF) revenues, and Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax. In 2025-2026, Secured Property Tax receipts are anticipated to total $491.6 million, including $414.8 million in general Secured Property Taxes, $52.5 million in ERAF revenue, and $24.3 million from SARA Residual Property Tax receipts. In 2026-2027, Secured Property Tax receipts, which will be based on real estate activity through December 31, 2025, are expected to increase by 5% to $515.4 million.

PROPERTY TAX

Secured Property Tax

The general Secured Property Tax receipts are estimated at $414.8 million in 2025-2026, which is 4.2% above the 2024-2025 collection level. This growth reflects an increase in assessed value due to the California Consumer Price Index (CCPI) increase of 2%, and increased valuation due to changes in ownership or new construction. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustments. On a County-wide basis, the 2025-2026 roll growth was driven primarily by changes in ownership (55.8%), changes in the CCPI (41.4%), and new construction (13.3%).



In 2026-2027, the general Secured Property Tax receipts are estimated to grow by 4.5% to $433.0 million, reflecting a 2.0% CCPI and 2.5% increased valuation. While the residential market is still relatively strong, there have been signs of weakness with sale prices and the number of transactions slightly declining. Further, the commercial sector has struggled with properties turning over at lower price points and commercial properties staying on the market for prolonged periods. However, overall, the real estate market continues to be a positive factor driving growth in this category, but at a more moderate level than experienced in prior years. In calendar year 2025 the average median single-family home price in the City of San José totaled $1.7 million, which was consistent with the calendar year 2024 average median single-family home price. The number of single-family and multi-family sales transactions decreased 7% in calendar year 2025; declining 425 sales from 2024's level. Moving into 2026, residential home prices and activity levels are anticipated to remain positive; however, the commercial sector is expected to continue to struggle, placing downward pressure within this category.

In addition to the changes in assessed value, Secured Property Tax collections are impacted by excess ERAF revenue. Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. In 2025-2026 ERAF receipts are estimated at $52.5 million, which is significantly above the 2024-2025 collection level of $42.4 million. In 2026-2027 ERAF revenue is estimated to grow to $57.0 million. It is important to note that 20% of ERAF revenue is at risk on both an ongoing basis beginning in 2025-2026 ($9 - $10 million annually)

PROPERTY TAX

Secured Property Tax

and a potential claw back to 2020-2021 ($35 - $39 million) due to an anticipated audit from the State Controller's Office that would challenge the ERAF calculation used by Santa Clara County. The County has preemptively filed litigation to dispute the actions taken by the State Controller and the decision is anticipated to occur before June 2026. However, regardless of the outcome of the ruling, the losing party will likely file an appeal; therefore, there is not a known timeline for a final resolution. This issue will continue to be closely monitored and updates will be provided as information is received.

The final component of the Secured Property Tax category is the SARA Residual Property Tax receipts. As a result of the SARA bond refunding that occurred in December 2017, the City receives a residual property tax distribution. In 2025-2026, SARA Residual Property Tax receipts are estimated to total $24.3 million, which is 7.0% below the 2024-2025 receipts. In 2026-2027, SARA Residual Property Tax receipts are anticipated to grow 4.5% from 2025-2026 collections and total $25.4 million.

It should be noted that final data on the actual tax levy for 2026-2027 is not yet available as adjustments are made through June 30, 2026. Each month, the County of Santa Clara provides information on the status of the property tax roll for the upcoming year. Some of the adjustments, however, are not reflected until the latter months of a given fiscal year, such as the reassessments of commercial property, which may experience a spike in activity due to a softening commercial real estate market. As updated information becomes available, refinements to the Property Tax estimates may be brought forward in a future budget process.

Unsecured Property Tax

Unsecured Property Taxes are the second largest revenue source in this category. Changes in this category are driven primarily by increases or decreases in the value of personal property (e.g., equipment and machinery used by business and industry for manufacturing and production). During the last decade, performance in this category has been volatile with annual growth or declines reaching double-digit levels based primarily on the strength of the local business sector. Based on information provided by Santa Clara County, Unsecured Property Tax receipts are estimated at $18.0 million in 2025-2026, which is 2.7% above the prior year collection level of $17.5 million. In 2026-2027 Unsecured Property Taxes are estimated to grow by approximately 4% and total $18.7 million.

Other Property Taxes

For the other Property Tax categories, collections are estimated at $13.6 million in 2025-2026 and $13.9 million in 2026-2027. SB 813 Property Tax receipts are estimated at $8.3 million in 2025-2026 and $8.4 million in 2026-2027; Aircraft Property Tax receipts are estimated at $4.5 million in 2025-2026 and 2026-2027; and Homeowners Property Tax Relief revenue are anticipated to total approximately $800,000 in 2025-2026 and $1.0 million in 2026-2027.

SALES TAX

2024-2025 Actual	$ 331,430,656
2025-2026 Adopted	$ 340,000,000
2025-2026 Estimate*	$ 342,200,000
2026-2027 Forecast	$ 310,700,000
2026-2027 Proposed	$ 310,700,000
% of General Fund	19.1 %
% Change from 2025-2026 Adopted	(8.6 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.
** The 2026-2027 Forecast was decreased by $6.5 million from the February Forecast; additional details can be found in the General Fund Overview section.

Distribution of Sales Tax

As shown in the following table, the City receives 1.25% of the 10.0% Sales Tax collected for items sold in San José. The distribution percentage includes the Bradley-Burns Uniform Local Sales and Use Tax (General Sales Tax, 1.0%), and a local transaction and use tax enacted by the City of San José effective October 1, 2016 and sunsetting September 30, 2031 (Local Sales Tax, 0.25%). The City also receives a portion of the Public Safety Fund (Proposition 172) Sales Tax collected State-wide.

Agency	Distribution Percentage
State of California	5.500%
City of San José (Bradley-Burns)	1.000%
City of San José (Local Tax)	0.250%
Public Safety Fund (Proposition 172)	0.500%
Santa Clara County (Including VTA and Measure A)*	2.625%
Peninsula Corridor Joint Powers Board (Caltrain)	0.125%
Total	**10.00%**

* Santa Clara County five-year tax measure that was approved November 4, 2025 and implemented on April 1, 2026

Revenue Estimates

Sales Tax Category	2026-2027 Proposed Budget
General Sales Tax	$240,500,000
Local Sales Tax	62,000,000
Proposition 172 Sales Tax	8,200,000
Total	**$310,700,000**

The Sales Tax category includes General Sales Taxes, Local Sales Taxes, and Proposition 172 Sales Taxes. Information related to Sales Tax payments are distributed from the California Department of Tax and Fee Administration (CDTFA) four times throughout the year: November (representing July-September activity); February (representing October-December activity); May (representing January-March activity); and August (representing April-June activity). Based on information received through February 2026 (which reflects two quarters of Sales Tax

SALES TAX

Revenue Estimates

Activity, from July 2025 through December 2025), it is anticipated that 2025-2026 Sales Tax revenue will generate $342.2 million. The 2025-2026 Sales Tax estimate is 3% above the prior year level of $331.4 million, which is due to the economy slightly improving and one-time payments being received in 2025-2026 that positively impact Sales Tax receipts.

In 2026-2027, the economy is anticipated to grow only modestly, resulting in underlying Sales Tax growing by approximately 1.5%. However, the City will no longer receive certain tax revenues following the resolution of its tax dispute with the State of California, and the State will deduct approximately $55 million from annual Sales Tax proceeds over 16 quarters beginning July 2026. Additionally, County Pool receipts are anticipated to be negatively impacted by a total of approximately $10 million during the 16-quarter payback period. As a result, the 2026-2027 Sales Tax estimate totals $310.7 million. Though revenues are lower, all funds to be repaid were previously set aside in the Revenue Loss Reserve, with limited impacts to the projected General Fund. Additional information about each of the Sales Tax sub-categories is provided on the following pages.

General Sales Tax

General Sales Tax is the largest driver of the Sales Tax category and accounts for approximately 80% of all Sales Tax receipts. General Sales Tax receipts for the first quarter (sales tax activity for July-September) and second quarter (sales tax activity for October-December) were received in November 2025 and February 2026, respectively. First quarter receipts grew almost 15%; however, a significant portion of this increase is due to one-time corrections and payment timing issues. After removing those figures, the estimated economic growth is approximately 1-2%. Second quarter receipts grew 2.4%; however, due to prior year one-time corrections inflating the second quarter 2024-2025 receipts, this increase was larger than anticipated and likely reflective of a moderate economic growth. It is important to note that a majority of the strong performance experienced in the second quarter is due to higher county pool receipts, which can vary from quarter to quarter. Third quarter receipts (which will be received in May 2026) are anticipated to have underlying growth of 2.5% reflecting the moderate strength of the local economy and the economic impact from the 2026 sporting events. Fourth quarter receipts (which will be received in August 2026) is anticipated to remain flat from the prior year receipts. However, both third and fourth quarter receipts are anticipated to experience lower county pool receipts following the resolution of a tax dispute with the State. Based on these assumptions, General Sales Tax collections are anticipated to total $273 million in 2025-2026, which reflects an overall increase of 3% from the 2024-2025 collection level. In 2026-2027, General Sales Tax is anticipated to experience underlying growth of 1.5%, reflecting further moderation of the local economy. However, given the recently resolved dispute and the State's deduction as discussed above, and the resolution's impact on County Pool receipts, the 2026-2027 General Sales Tax allocation is estimated at $240.5 million.

The City's Sales Tax consultant, Avenu Insights & Analytics, has provided performance data for General Sales Tax revenue, as displayed on the following chart. This analysis measures the first-second quarter General Sales Tax receipts for 2024-2025 and 2025-2026.

SALES TAX

General Sales Tax

General Sales Tax Revenue Economic Performance
First – Second Quarter Payments

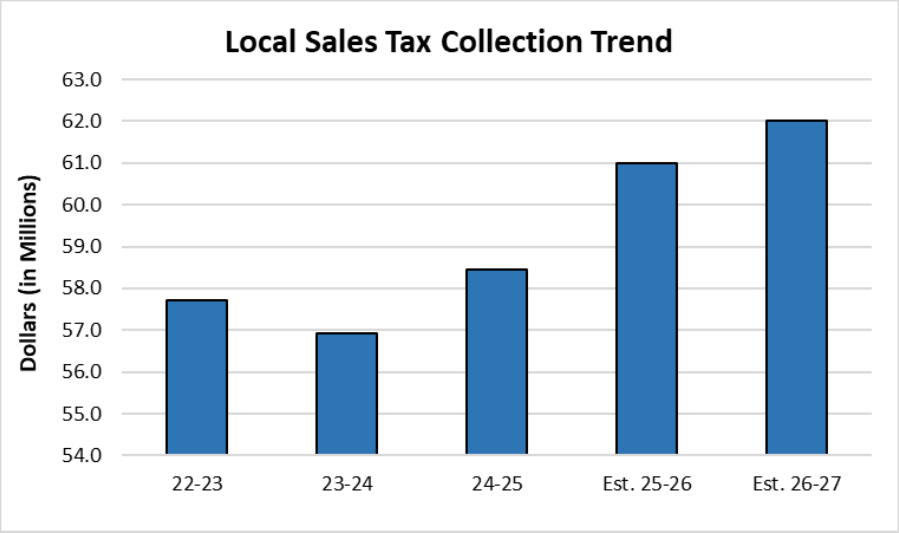
Category	2025-2026 % of Total Revenue	2024-2025 % of Total Revenue	% Change by Category
Business-to-Business	18.0%	20.5%	(11.9%)
Construction	9.2%	9.3%	(0.5%)
Food Products	15.7%	15.2%	4.3%
General Retail	19.9%	19.0%	5.2%
Transportation	15.2%	16.3%	(6.6%)
Miscellaneous	1.0%	1.0%	(1.3%)
County Pool	21.0%	18.7%	12.8%
Total	**100.0%**	**100.0%**	

As can be seen in the table above, all categories declined with the exception of General Retail (5.2%; which includes apparel stores, department stores, furniture/appliance stores, drug stores, recreation products, and florists/nurseries) and Food Products (4.3%; which includes restaurants, food markets, and liquor stores). Categories that have experienced year-over declines include Business-to-Business (-11.9%), Transportation (-6.6%), and Construction (-0.5%).

In addition, the County Pool, which is where the majority of online transactions are captured, experienced a year-over-year increase of 12.8%. The County Pool revenue is distributed to all cities within Santa Clara County based on a distribution formula administered by the CDTFA. This formula is based each quarter on each jurisdiction's total General Sales Tax receipts divided by the Total General Sales Tax receipts for the entire County. Currently, the City typically receives between 45% - 50% of the total County Pool.

Local Sales Tax

In June 2016, San José voters approved a ¼ cent Local Sales Tax, which was implemented in October 2016 and sunsets on September 30, 2031. Local Sales Tax is generated based on the destination of the purchased product; therefore, all out-of-state online retailers' (including marketplace facilitators) sales tax collections are directly distributed to the City of



SALES TAX

Local Sales Tax

San José, versus the General Sales Tax revenue that is deposited in the County Pool, where the City only receives approximately 45% - 50% of the proceeds. Due to this distinction, Local Sales Tax revenue may not always experience the same growth and decline rates as General Sales Tax receipts.

Similar to General Sales Tax, Local Sales Tax receipts for the first quarter (sales tax activity for July-September) and for the second quarter (sales tax activity from October-December) were received in November 2025 and February 2026, respectively. First quarter receipts grew 8.7% and second quarter collections grew 4.7% compared to the prior year. For the remainder of the year, third quarter receipts (which will be received in May 2026) are estimated to grow by 2.5% and the final quarter of 2025-2026 is anticipated to remain consistent with the same time period in 2024-2025. Based on these assumptions, Local Sales Tax collections are anticipated to total $61.0 million in 2025-2026, which is approximately 4.5% above the prior year collection level. In 2026-2027, Local Sales Tax is anticipated to grow 2% compared to the 2025-2026 collection level and total $62.0 million.

Public Safety (Proposition 172) Sales Tax

Proposition 172 Sales Tax collections (representing the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs) are expected to total $8.2 million in 2025-2026 and 2026-2027.

TRANSIENT OCCUPANCY TAX

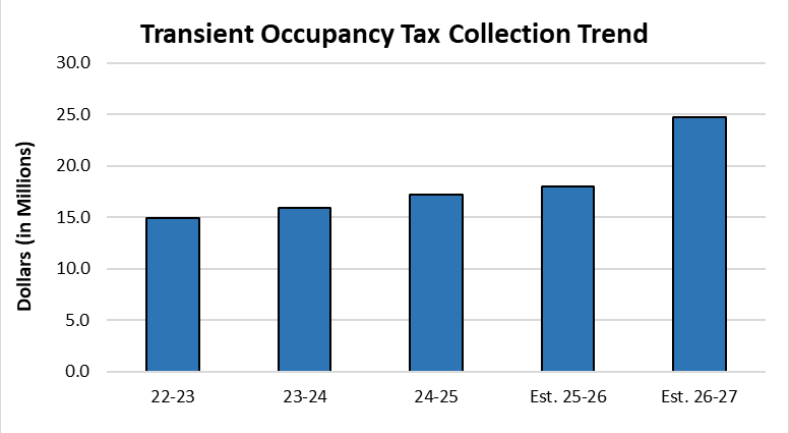
2024-2025 Actual	$ 17,212,205
2025-2026 Adopted	$ 18,000,000
2025-2026 Estimate*	$ 18,000,000
2026-2027 Forecast	$ 18,000,000
2026-2027 Proposed	$ 24,750,000
% of General Fund	1.5 %
% Change from 2025-2026 Adopted	37.5 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Distribution of Transient Occupancy Tax

The City of San José assesses a 10% Transient Occupancy Tax (TOT) on the rental price for transient lodging. Of this 10%, 6% is placed in the Transient Occupancy Tax Fund and 4% is deposited in the General Fund. This discussion addresses the portion of the Transient Occupancy Tax that is allocated to the General Fund.

Revenue Estimates



In 2025-2026, Transient Occupancy Tax (TOT) receipts in the General Fund (which represent 40% of the total tax) are estimated to reach $18.0 million, which incorporates anticipated increased activity from the 2026 sporting events and is 5% above the 2024-2025 collection level. In 2026-2027, TOT revenue is anticipated to remain at $18.0 million. Based on December 2025 data, the cumulative average hotel occupancy rate reported for the San José market was 69.0%, an increase from the average of 67.6% through the same period in 2024-2025. The average daily room rate decreased slightly from $168.70 as of December 2024 to $168.62 as of December 2025; and the year-to-date average revenue-per-available room (RevPAR) increased by 2.0%, from $114.01 to $116.29, relative to the same period in 2024-2025.

As directed in the City Council-approved Mayor's March Budget Message for Fiscal Year 2026-2027, the 2026-2027 Proposed Operating Budget includes the assumed passage of Measure A. Measure A, which will be considered by San José voters on June 2, 2026, increases the TOT rate from 10% to 12%. If approved, TOT revenue in the General Fund is anticipated to increase by $6.8 million in 2026-2027 (assumed implementation of October 1, 2026) and $9.5 million ongoing. Further discussion about Measure A is included in the City Manager's transmittal message of the Proposed Operating Budget and a contingency plan of spending reductions should the ballot measure not pass are detailed in Attachment D to the City Manager's transmittal message.

FRANCHISE FEES

2024-2025 Actual	$ 58,458,709
2025-2026 Adopted	$ 58,988,263
2025-2026 Estimate*	$ 56,988,263
2026-2027 Forecast	$ 58,038,263
2026-2027 Proposed	$ 58,444,026
% of General Fund	3.6 %
% Change from 2025-2026 Adopted	(0.9 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Franchise Category	2026-2027 Proposed Budget
Electric	$ 28,000,000
Gas	9,000,000
Commercial Solid Waste	15,434,026
Cable Television	5,500,000
Great Oaks Water	400,000
Nitrogen Gas Pipeline Fees	85,000
City-Generated Tow	25,000
Total	**$ 58,444,026**

Franchise Fees are collected in the Electricity, Gas, Commercial Solid Waste, Cable, City-Generated Tow, Water, and Nitrogen Gas Pipeline categories. Overall, collections are projected at $57.0 million in 2025-2026, which are 2.5% below the prior year level of $58.5 million. In 2026-2027, overall Franchise Fee revenue is anticipated to grow by 2.5% and total $58.4 million. Additional information about each of the Franchise Fees sub-categories is provided on the following pages.

Electricity Franchise Fee

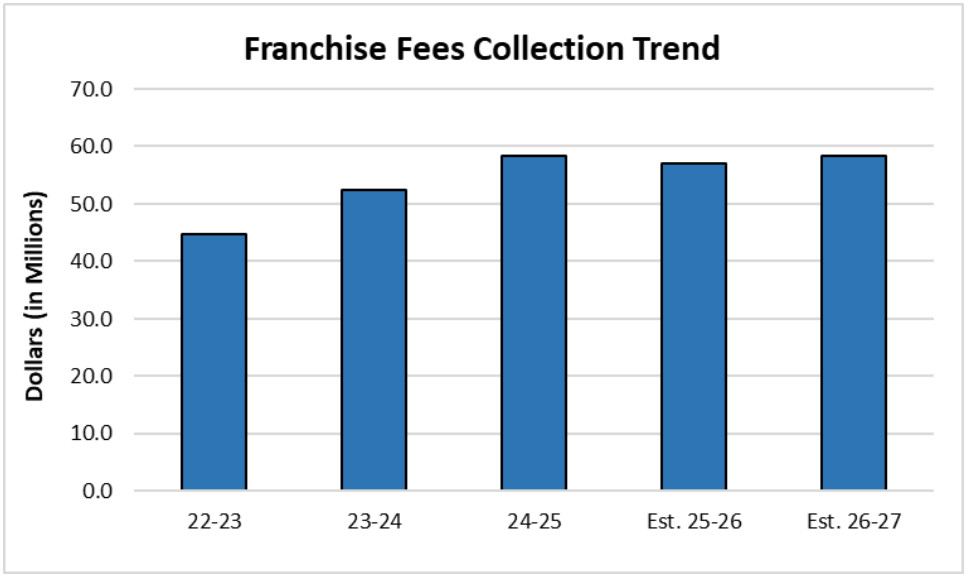
The Electricity Franchise Fee is received as a one-time payment from Pacific Gas and Electric (PG&E) in April of each year. Based on the payment received from PG&E in April 2026, the Electricity Franchise Fee collection in 2025-2026 totals $27.5 million, which is 3.7% below the prior year receipt. In 2026-2027, the Electricity Franchise Fee category is estimated to grow slightly and total $28.0 million.

Gas Franchise Fee

Similar to the Electricity Franchise Fee, the Gas Franchise Fee is received as a one-time payment from PG&E in April of each year. Based on the payment received from PG&E in April 2026, the Gas Franchise Fee collection in 2025-2026 totals $8.5 million, which is 12.4% above the prior year receipt. In 2026-2027, the Gas Franchise Fee category is estimated to grow slightly and total $9.0 million. It is important to note that Gas Franchise Fee receipts can fluctuate significantly due to consumption changes associated with the weather and rate changes.

FRANCHISE FEES

Commercial Solid Waste Fee



Commercial Solid Waste (CSW) Franchise Fee collections are estimated to reach $15.0 million in 2025-2026. Collections reflect the revised methodology for assessing this fee that became effective July 1, 2012. On October 19, 2010, the City Council amended the CSW fee to charge franchises based on geographic collection districts rather than volume. The fee structure is a base of $5 million per year for each of two geographic collection districts plus a supplemental fee of $1.0 million for the right to conduct CSW services in both the North District and the South District. This revised structure is subject to an annual increase based on the percentage change in the CPI rate during the prior two calendar years. It should be noted that this increase is not automatic and is subject to City Council approval each year. Therefore, the 2026-2027 Forecast amount of $15.0 million is consistent with the 2025-2026 estimate and does not automatically assume a CPI adjustment. However, the 2026-2027 Proposed Budget includes an action to increase the CSW Fee by 2.7%, which will generate an additional $405,763, bringing the budget estimate to $15.4 million in 2026-2027.

Cable Television Fee

In the Cable Franchise Fee category, collections in 2025-2026 are estimated at $5.5 million, which is 9% below the prior year level. In 2026-2027, revenue is anticipated to remain flat at $5.5 million. The Cable Franchise Fee historically totaled $10 million annually; however, as consumers shift to streaming services (which are not taxable), this revenue source has continuously declined.

Other Franchise Fees

Remaining franchise fees include Great Oaks Water, Nitrogen Gas Pipeline, and City Generated Tow. Great Oaks Water receipts are estimated at $350,000 in 2025-2026 and $400,000 in 2026-2027, Nitrogen Gas Pipeline receipts are estimated at $85,000 in 2025-2026 and 2026-2027, and City Generated Tow receipts are estimated at $25,000 in 2025-2026 and 2026-2027.

UTILITY TAXES

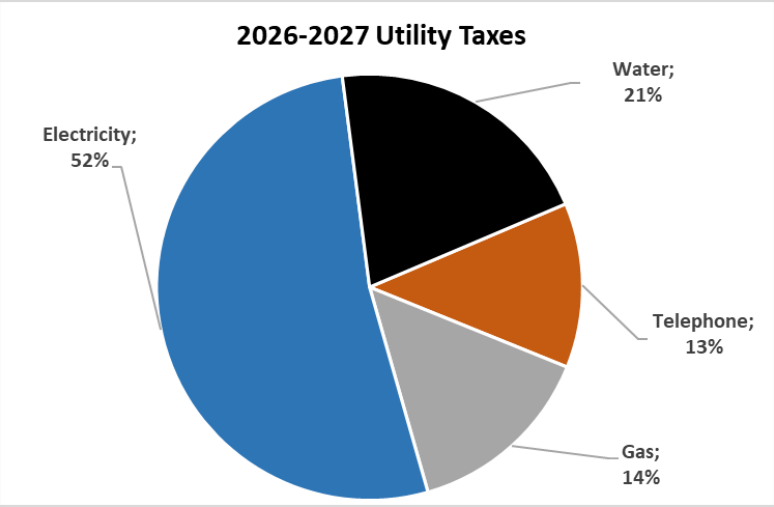
2024-2025 Actual	$ 139,896,807
2025-2026 Adopted	$ 143,800,000
2025-2026 Estimate*	$ 140,150,000
2026-2027 Forecast	$ 145,150,000
2026-2027 Proposed	$ 145,150,000
% of General Fund	8.9 %
% Change from 2025-2026 Adopted	0.9 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Utility Taxes Category	2026-2027 Proposed Budget
Electricity	$ 76,000,000
Water	30,000,000
Gas	21,000,000
Telephone	18,150,000
Total	**$ 145,150,000**

Utility Taxes are imposed on electricity, gas, water, and telephone usage. Collections in 2025-2026 are anticipated to total $140.2 million, which is slightly above the 2024-2025 collection level of $139.9 million. This increase is due to higher usage related to the Gas, Water, and Telephone Utility Tax categories, partially offset by lower Electricity Utility Tax revenue. In 2026-2027, Utility Tax collections are projected to grow by 3.5% and total $145.2 million. Due to uncertainty regarding the outcome of rate cases, the 2026-2027 estimate does not assume revenue increases associated with pending rate cases; however, it does take into account changes already approved. Additional information about each of the Utility Tax sub-categories is provided below.



Electricity Utility Tax

The Electricity Utility Tax is anticipated to generate $75.0 million in 2025-2026, which is 6% below the prior year collection level. This drop is due to lower usage, and a one-time bill credit to consumers that is estimated at $1.0 million. In 2026-2027, revenue is anticipated at $76.0 million which assumes slightly higher activity, lower rates, and elimination of the one-time bill credit that occurred in 2025-2026.

UTILITY TAXES

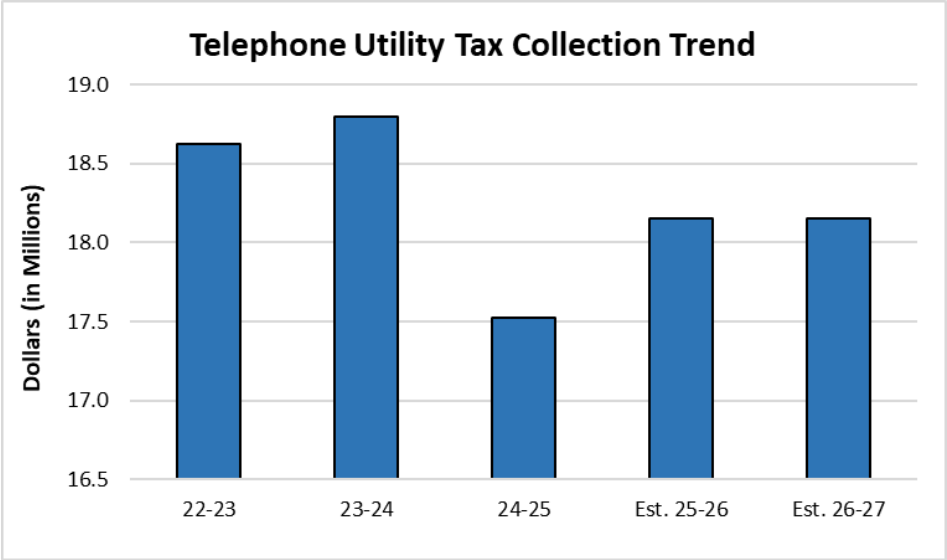
Water Utility Tax

The Water Utility Tax is anticipated to generate $27.0 million in 2025-2026, which is 11% above the prior year collection level. In 2026-2027, revenue is anticipated to grow by an additional 10% to $30.0 million due to higher rates and activity levels.

Gas Utility Tax

The Gas Utility Tax is anticipated to generate $20.0 million in 2025-2026, which is 9% above the prior year collection level. In 2026-2027, tax revenue is anticipated to grow by 5% and total $21.0 million. This increase is anticipated due to slightly higher activity levels. It is important to note, however, that receipts can fluctuate significantly due to consumption changes associated with the weather and future rate changes.

Telephone Utility Tax



In the Telephone Utility Tax category, revenues are collected on landlines, wireless, VoIP, and prepaid wireless services sold at retail locations. Receipts in 2025-2026 are projected at $18.2 million, a 3.5% increase from the 2024-2025 collection level. In 2026-2027, receipts are projected to remain flat at $18.2 million. The Telephone Utility Tax category has experienced continuous declines as a result of wireless consumers shifting to less expensive prepaid wireless plans, competition with cellular companies that keep prices down, and that the data component of wireless plans not being taxable.

BUSINESS TAXES

2024-2025 Actual	$ 87,693,311
2025-2026 Adopted	$ 85,000,000
2025-2026 Estimate*	$ 89,000,000
2026-2027 Forecast	$ 90,000,000
2026-2027 Proposed	$ 90,551,000
% of General Fund	5.6 %
% Change from 2025-2026 Adopted	6.5 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Business Taxes Category	2026-2027 Proposed Budget
General Business Tax	$ 33,551,000
Cardroom Business Tax	30,000,000
Cannabis Business Tax	14,000,000
Disposal Facility Tax	13,000,000
Total	**$ 90,551,000**

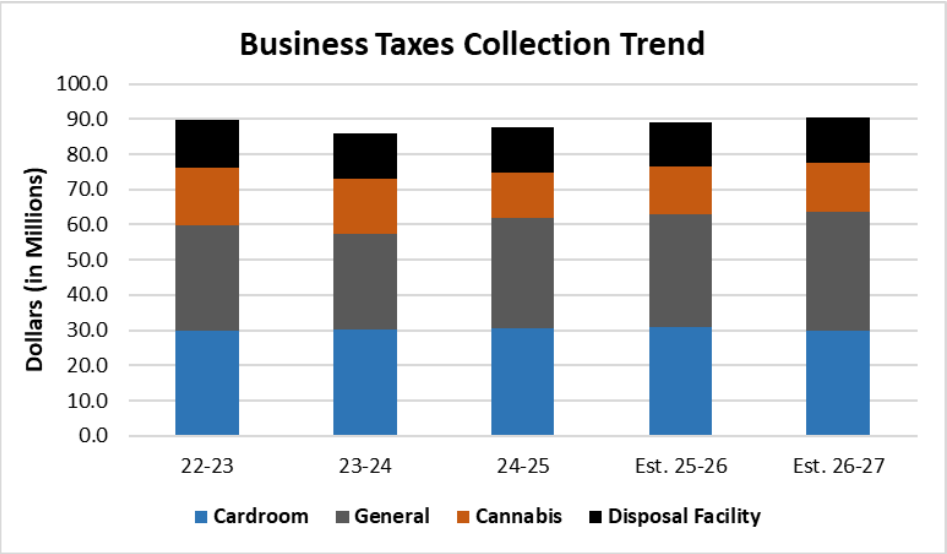
The Business Taxes category includes General Business Tax, Cardroom Business Tax, Cannabis Business Tax, and Disposal Facility Tax. Business Taxes are estimated to reach $89.0 million in 2025-2026, which is 1.5% above the prior year collection level. In 2026-2027, Business Taxes revenues are estimated to grow slightly to $90.6 million. Additional information about each of the Business Tax sub-categories is provided on the following pages.

General Business Tax

Beginning in 2017-2018, General Business Tax collections reflect the modernization of the San José business tax, which was approved by San José voters on November 8, 2016 and took effect on July 1, 2017. The adjustments to the business tax included increasing the base tax, increasing the incremental tax and making it more progressive, increasing the cap (the maximum amount of the tax affecting large businesses), updating the application of the tax to more classes of business, and adding inflation-based adjustments for future tax rates. In 2025-2026, General Business Tax proceeds are anticipated to reach $32.0 million, which is 2% above the 2024-2025 collection level of $31.4 million. The 2026-2027 Base Budget estimate includes the annual business tax rate increase adjustment resulting in an additional $1.0 million. The 2026-2027 Proposed Budget includes an action to recognize General Business Tax funding of $551,000 that is anticipated to be received for delinquent business tax accounts as a result of an additional Investigative Collector position being added in the Finance Department. As a result, the 2026-2027 General Business Tax revenue is anticipated to grow to $33.6 million. Additional details on the additional Investigative Collection position is provided in the Finance Department under the *City Departments* section of this document.

BUSINESS TAXES

Cardroom Business Tax



Cardroom Business Tax receipts are estimated at $31.0 million in 2025-2026, which is slightly above the prior year collection level of $30.6 million. In February 2025, the California Bureau of Gambling Control published a Notice of Proposed Regulatory Action concerning player-dealer position regulations. The change in regulation was subsequently approved with an implementation date of April 1, 2026. The cardrooms then have a set timeline to submit their proposed changes to the State and receive feedback; therefore, the estimated timeline for the new regulations to begin in the cardrooms is September/October 2026. It is important to note, however, that litigation may be filed against the State of California regarding the approved regulation changes. As a result, due to uncertainty regarding the timing of regulation change implementation, uncertainty regarding customers reactions to the regulation changes (if implemented as currently directed by the California Bureau of Gambling Control), and cardrooms possibly transitioning to alternate methods of play that are allowed under the new regulations, the 2026-2027 Budget does not include a decrease in cardroom revenue related to the regulation changes. However, the impact to City revenues could be significant. If the regulations are implemented as currently outlined and the cardrooms and/or customers do not transition to other gameplay, according to cardroom representatives, the Cardroom Business Tax revenue could potentially decrease by up to 85% ($25 million) beginning in 2026-2027. If this revenue drop was realized in 2026-2027, the Budget Stabilization Reserve would be needed to offset the loss in 2026-2027 and the ongoing reduction would be factored into the 2027-2028 Forecast. The regulation changes for the cardrooms will continue to be monitored and reported back to the City Council as additional information is known.

Cannabis Business Taxes

Cannabis Business Tax collections began after San José voters approved Ballot Measure U on November 2, 2010, which allowed the City to tax cannabis businesses. Further, in November 2016, the California Marijuana Legalization Initiative (Proposition 64) was approved by voters, which legalized recreational cannabis use in California. As a result, the sale of recreational cannabis at licensed dispensaries began in San José in January 2018. Based on current collection trends, it is anticipated that Cannabis Business Tax receipts will total $13.5 million in 2025-2026 and grow slightly to $14.0 million in 2026-2027.

BUSINESS TAXES

Disposal Facility Tax

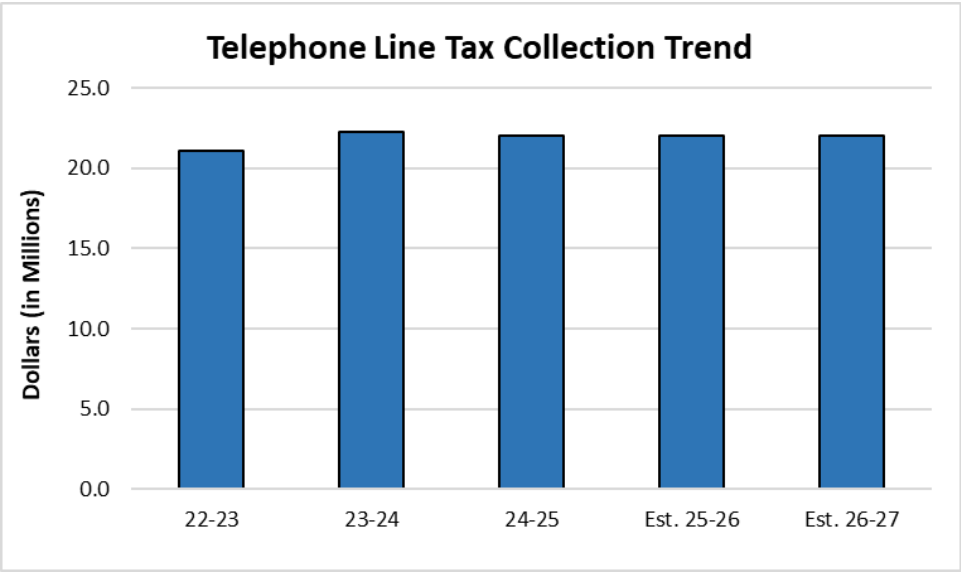
Disposal Facility Taxes (DFT) are business taxes based on the tons of solid waste disposed at landfills within the City. This revenue stream can vary due to factors that affect the amount of waste generated and how it is disposed including: economic activity, weather, diversion programs, and price sensitivity to disposal rates. Based on current collection trends, 2025-2026 DFT collections are estimated at $12.5 million, which is slightly below the prior year receipts of $12.8 million. In 2026-2027, DFT receipts are anticipated to grow to $13.0 million.

TELEPHONE LINE TAX

2024-2025 Actual	$ 21,989,227
2025-2026 Adopted	$ 22,000,000
2025-2026 Estimate*	$ 22,000,000
2026-2027 Forecast	$ 22,000,000
2026-2027 Proposed	$ 22,000,000
% of General Fund	1.3 %
% Change from 2025-2026 Adopted	0.0 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates



In November 2008, voters approved Measure J, a tax that is collected from telephone users on their telephone bills. The tax amount, which does not grow with inflation, is $1.57 per telephone line per month and $11.82 per commercial type trunk line. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service. Based on the current collection trend, receipts in 2025-2026 and 2026-2027 are estimated to total $22.0 million.

LICENSES AND PERMITS

2024-2025 Actual	$ 22,266,806
2025-2026 Adopted	$ 22,574,591
2025-2026 Estimate*	$ 21,762,366
2026-2027 Forecast**	$ 21,412,282
2026-2027 Proposed	$ 22,355,627
% of General Fund	1.4 %
% Change from 2025-2026 Adopted	(1.0 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2026-2027 Forecast was increased $74,099 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

Licenses and Permits Category	2026-2027 Proposed Budget
Fire Permits	$ 7,837,991
Other Licenses and Permits	14,517,636
Total	**$ 22,355,627**

The Licenses and Permits category contain non-development fees and charges collected by various City departments, the largest of which are Fire Permits. Licenses and Permits are projected based on City Council-approved cost-recovery policies with the goal of a net-zero impact on the General Fund. The Licenses and Permits category is estimated to total $21.8 million in 2025-2026 and $22.4 million in 2026-2027.

The 2026-2027 Proposed Budget includes actions to increase Licenses and Permits by $943,345. Fire Department Non-Development Fee revenue is increasing by $228,291 (from $7.6 million to $7.8 million), which reflects a 3.0% fee increase to all Fire Department Non-Development fees to maintain cost recovery levels. In addition, the 2026-2027 Proposed Budget includes actions to increase the Other Licenses and Permits category by a net of $715,054 (from $13.8 million to $14.5 million) to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels. Licenses and permits changes are reflected for the Animal Care and Services Fee Program ($329,183), Code Enforcement Fee Program ($254,863), and Police Department licenses and permits ($131,008).

FEES, RATES, AND CHARGES

2024-2025 Actual	$ 26,305,211
2025-2026 Adopted	$ 32,270,988
2025-2026 Estimate*	$ 27,880,843
2026-2027 Forecast**	$ 29,220,875
2026-2027 Proposed	$ 31,513,599
% of General Fund	1.9 %
% Change from 2025-2026 Adopted	(2.3 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.
** The 2026-2027 Forecast was increased $9,000 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

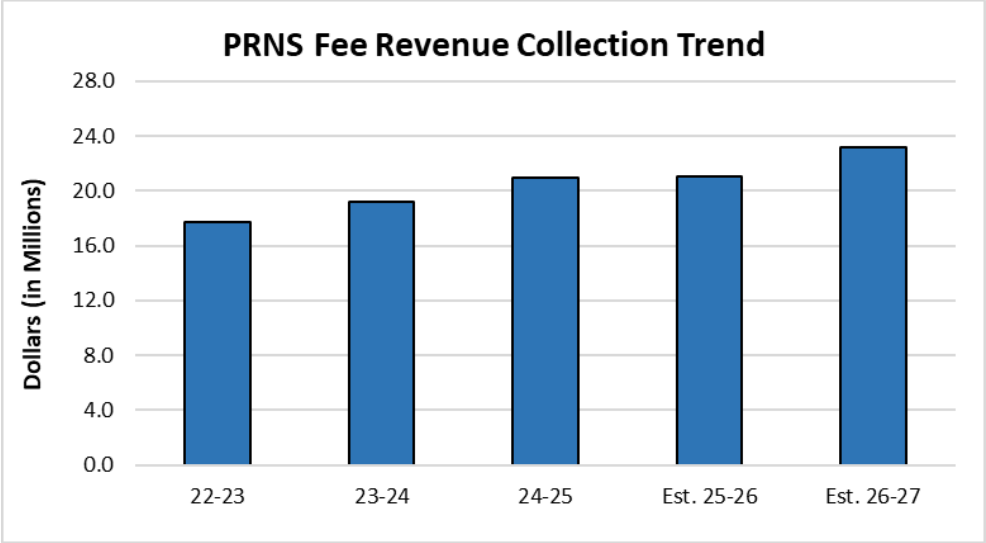
Fees, Rates, and Charges Category	2026-2027 Proposed Budget
Parks, Recreation and Neighborhood Services	$ 23,201,288
Fire	2,800,000
Transportation	1,648,590
Police	850,034
Library	110,535
Miscellaneous	2,903,152
Total	**$ 31,513,599**

The Fees, Rates, and Charges revenue category includes various fees and charges levied to recover costs of services provided by several City departments, the largest of which are Parks, Recreation, and Neighborhood Services (PRNS) Department Fees. All fees and charges are projected based on City Council-approved cost-recovery policies with the overall goal of a net-zero impact on the General Fund, though exceptions of lower cost recovery levels for a number of fees also exist. In 2025-2026, the Fees, Rates, and Charges category is estimated at $27.9 million, which is slightly higher than the 2024-2025 collection level of $26.3 million.

In 2026-2027, the Fees, Rates, and Charges category is estimated at $31.5 million. The 2026-2027 Proposed Budget includes actions totaling $449,811 to increase fee revenue to align various revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels. The fee revisions impacted Miscellaneous Fee revenue ($172,736), Transportation Fees ($243,527), PRNS Animal Care and Services Fees ($60,545), Library Fees ($3,420), and Police Fees (-$30,417). The 2026-2027 Proposed Budget also includes actions to establish three new fees in the Library Department, resulting in new fee revenue of $23,170; including the Retro Tech Digitalization Service Fee ($16,170), Community Room Rental – Unaffiliated Community Based Organizations Fee ($5,000), and Art Loan Staff Processing Fee ($2,000). Finally, the 2026-2027 Proposed Budget includes several actions that will impact the PRNS Fee Program by a net of $1.8 million related to the PRNS Fee Program Update ($2.1 million), Parks Maintenance Redistricting and Citywide Sports Programming (-$50,000), and San José Recreation Preschool Program (-$155,257), which are further described on the following page.

FEES, RATES, AND CHARGES

Parks, Recreation and Neighborhood Services Fees



PRNS fee collections are estimated at $21.3 million in 2025-2026 and $23.2 million in 2026-2027. PRNS program delivery and revenue generation fee categories include: Happy Hollow Park and Zoo; Fee Activity (classes, camps, and after-school activities); Facility Rentals; Sports Facilities Reservations; Lake Cunningham Action Sports Park; Gym and Fitness; Parking; Park Permits; Arcadia Ball Park; Family Camp; and Aquatics Program. In addition, beginning in 2026-2027, the Animal Care and Services Fee Program is migrating from the Public Works Department to PRNS. The 2026-2027 Proposed Budget includes actions that are anticipated to increase PRNS fee revenue by $1.9 million. These actions include adding 11.86 positions and non-personal/equipment funding to realign resources with current activity levels at Happy Hollow Park and Zoo, Family Camp, Emma Prusch Park, and Citywide Sports. These actions will result in additional PRNS Fee Program revenue of $2.1 million. Additional fee revenue to align various revenues with estimated activity levels, reflect revisions, and maintain cost recovery levels for the Animal Care and Services Fee Program ($60,545). Offsetting these revenue increases is an action to reduce the San José Recreation Preschool Program, resulting in a revenue loss of $155,257. Finally, an action related to parks maintenance redistricting and citywide sports programming will reduce Arcadia Ball Park revenue by $50,000. Additional details on these budget actions are provided in the Parks, Recreation and Neighborhood Services Department under the *City Departments* section of this document.

Fire Department Fee revenue is estimated at $1.2 million in 2025-2026 and $2.8 million in 2026-2027. This category includes the Ambulance Transport and User Fee and the First Responder Fee. The First Responder Fee was approved as part of the 2025-2026 Adopted Operating Budget and became effective on January 1, 2026. This fee is charged to each individual's medical insurance provider for the individual to whom the City provides medical emergency service. Fee revenue was initially estimated at $2.0 million for 2025-2026 and $4.0 million ongoing; however, early performance indicates that actual collections may be substantially lower, as a significant portion of individuals receiving emergency medical services lack medical insurance and the City does not expect to receive payment from uninsured individuals. As a result, the 2026-2027 Forecast assumed ongoing revenues of only $2.0 million annually, which will be revisited as this new program evolves.

FINES, FORFEITURES, AND PENALTIES

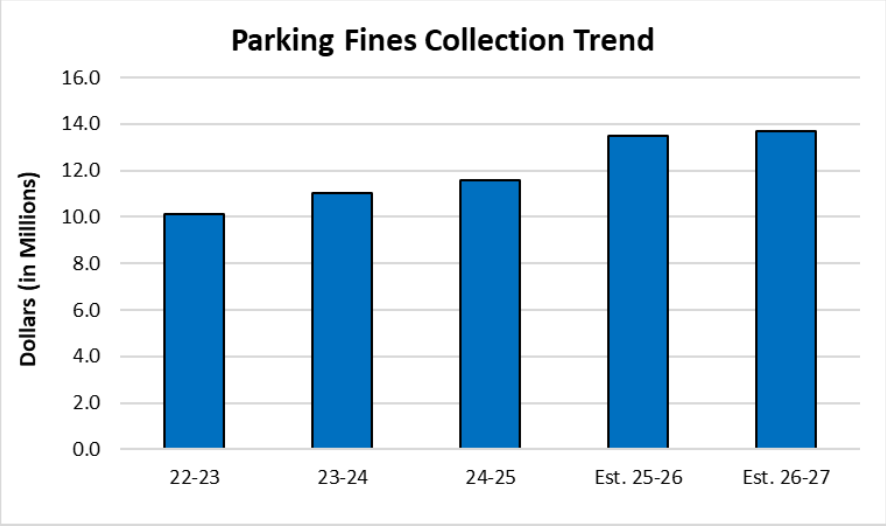
2024-2025 Actual	$ 19,740,923
2025-2026 Adopted	$ 15,280,000
2025-2026 Estimate*	$ 19,510,000
2026-2027 Forecast	$ 18,610,000
2026-2027 Proposed	$ 18,777,500
% of General Fund	1.2 %
% Change from 2025-2026 Adopted	22.9 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Fines, Forfeitures, and Penalties category in 2025-2026 is estimated at $19.5 million, which is slightly below the 2024-2025 actual collection level of $19.7 million. In 2026-2027, revenue is estimated at $18.8 million, which reflects a slight decrease in Business Tax Penalties ($500,000) and Animal Care and Services Citations ($250,000). The largest component of the Fines, Forfeitures and Penalties category is Parking Fines, which is further described below.

Parking Fines



Parking Fines are the largest driver in the Fines, Forfeitures, and Penalties revenue category. Parking Fines are issued to registered vehicle owners when they park on city streets or in City parking facilities in violation of California Vehicle Code and/or San José Municipal Code. Violations include parking in restricted areas designated by posted signage, curb markings or by permit requirements. Enforcement and the issuance of parking fines promote pedestrian, bicycle and vehicle safety, support clean neighborhoods and the environment, and encourage parking turnover. Parking Fines are estimated at $13.5 million in 2025-2026 and $13.7 million in 2026-2027. The increase in 2026-2027 revenue reflects two actions included in the 2026-2027 Proposed Budget. The first action implements paid metered parking in the Willow Glen area of San José ($97,500), and an additional action extends parking meter hours in the Downtown core and increases parking meter rates ($70,000). Additional details on these budget actions are provided in the Transportation Department under the *City Departments* section of this document.

REVENUE FROM USE OF MONEY AND PROPERTY

2024-2025 Actual	$ 20,214,200
2025-2026 Adopted	$ 21,935,000
2025-2026 Estimate*	$ 13,583,000
2026-2027 Forecast	$ 19,500,000
2026-2027 Proposed	$ 20,000,000
% of General Fund	1.2 %
% Change from 2025-2026 Adopted	(8.8 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

The Revenue from the Use of Money and Property category consists of revenue associated with the rental of City-owned property, subrogation recovery efforts, interest income, and small cell lease revenue. Overall revenue in this category is anticipated to generate $13.6 million in 2025-2026 and $20.0 million in 2026-2027. This increase is primarily due to a new Digital Signage Program, higher anticipated interest earnings, and additional subrogation recovery revenue. Additional information about the largest Revenue from Use of Money and Property components is provided below.

Rental of City-Owned Property

Collections reflected in the Rental of City-Owned Properties category include revenue related to the City Hall lease to the United States Patent and Trademark Office (USPTO), rental of communications facilities, and rental of various City-owned properties. Rental of City-Owned Property revenue is anticipated at $3.6 million in 2025-2026, growing to $5.5 million in 2026-2027 primarily due to the new Digital Signage Program ($1.8 million).

General Fund Interest Earnings

The interest earnings collection on the General Fund in 2025-2026 is estimated at $8.0 million, growing to $12.0 million in 2026-2027. This increase is primarily due to a higher anticipated cash balance in the General Fund as police and fire retirement is not being prefunded.

Small Cell Lease Revenue

Lease revenue received for small cells represents revenue for lease of City-owned light poles from wireless carriers including Verizon, Mobilitie, and AT&T. In 2026-2027 revenues are anticipated to total $744,000, which is set aside in the Digital Inclusion Fund allocation in *City-Wide Expenses* section of this document.

REVENUE FROM USE OF MONEY AND PROPERTY

Subrogation Recovery

Subrogation recovery revenue reflects funds recovered from an insurance company or liable party as a result of damage occurring to a City-owned property. Analysis of subrogation collections over the past few years shows a declining trend in both collection rates and recoveries, indicating increased inefficiencies and potential revenue loss. Beginning in 2026-2027, the subrogation recovery process will be refined to formalize claim intakes, leverage existing systems, and proactively identifying unsubmitted cases. As a result of these anticipated process improvements, subrogation recovery is projected to increase from $250,000 in 2025-2026 to $750,000 in 2026-2027.

REVENUE FROM LOCAL AGENCIES

2024-2025 Actual	$ 22,201,684
2025-2026 Adopted	$ 22,132,609
2025-2026 Estimate*	$ 23,945,232
2026-2027 Forecast**	$ 18,232,004
2026-2027 Proposed	$ 18,705,579
% of General Fund	1.1 %
% Change from 2025-2026 Adopted	(15.5 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

** The 2026-2027 Forecast was increased $115,000 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

In 2025-2026, revenue of $23.9 million is projected from other local agencies, such as the Central Fire District payment for fire services provided to County residents by the San José Fire Department, the County of Santa Clara payments for the Paramedic Program and Senior Nutrition, and the Valley Transportation Authority (VTA) reimbursement for police services at the Berryessa BART station. In 2026-2027, revenue in this category is projected at $18.7 million, which is $5.2 million below the 2025-2026 estimate. The decrease in 2026-2027 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated, as well as the VTA reimbursement for police services at the BART station not being renewed. Additional information about the largest Revenue from Local Agencies components is provided on the following page.

REVENUE FROM LOCAL AGENCIES

Central Fire District

The City receives reimbursement from the Central Fire District for the Santa Clara County areas covered by the San José Fire Department. These payments are based on the property tax assessments for fire services collected in those areas, which are passed on to the City. Based on information provided by the Central Fire District, payments of $10.8 million are anticipated in 2025-2026 and $11.2 million in 2026-2027.

Paramedic Program

A reimbursement from Santa Clara County for the first responder advanced life support program (Paramedic Program) is estimated at $3.6 million in 2025-2026 and 2026-2027. Funding for the Paramedic Program includes the equipment reimbursement component (Annex B, Category A funds) and service-related component (Annex B, Category B funds).

Berryessa BART Station Police Services

Beginning in 2020-2021, reimbursement revenue was received annually from VTA for supplemental law enforcement support services at the Berryessa/North San José BART Station. This agreement concludes in 2025-2026, with the final reimbursement from VTA totaling $2.3 million.

Other Local Agency

In 2025-2026, the remaining local agency funding is estimated at $7.2 million, which reflects one-time grants or reimbursements ($3.2 million) and reimbursements that are received on an annual basis ($4.0 million). In 2026-2027, the other local agency funding budgeted estimate totals $3.9 million, which includes ongoing reimbursement funding ($2.5 million) and grant or reimbursement funding ($1.4 million).

The City receives several reimbursements from local agencies on an annual basis ($2.5 million in 2026-2027), the largest of which includes reimbursements from other agencies for services related to Animal Care and Services ($1.3 million). Additional ongoing reimbursements from local agencies ($1.2 million) include Bus Sheltering Advertising, Cambrian 36 Agreement, Child Advocacy Center, Crossing Guard Program, Traffic Maintenance, and Viva CalleSJ.

In addition to funding that is received annually from local agencies, grant and reimbursement funding is anticipated to be received in 2026-2027 totaling $2.5 million. The 2026-2027 Forecast assumed grant funding for two programs; Regulatory Compliance and Purified Water ($754,732) and Santa Clara County Public Art Services ($200,000). Further, the Proposed Budget includes actions to reflect three new reimbursements, including funding from Santa Clara Valley Water District for Coyote Creek Trail Patrol ($162,500) and Guadalupe River Trail Patrol ($162,500). In addition, reimbursement funding from the VTA is anticipated to be received for San José and VTA Board coordination ($148,575). Additional details on many of the Other Local Agency budget actions are provided in the *City Departments* section of this document.

REVENUE FROM STATE OF CALIFORNIA

2024-2025 Actual	$ 39,382,713
2025-2026 Adopted	$ 31,982,501
2025-2026 Estimate*	$ 45,844,651
2026-2027 Forecast	$ 11,500,000
2026-2027 Proposed	$ 11,500,000
% of General Fund	0.7 %
% Change from 2025-2026 Adopted	(64.0 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

Funding reflected in the Revenue from the State of California category includes Tobacco Settlement funds, State grant revenue, and other State reimbursements. Collections in this category are estimated to reach $45.8 million in 2025-2026 and $11.5 million in 2026-2027. The decrease in 2026-2027 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated. Additional information about the largest Revenue from the State components is provided below.

Tobacco Settlement Revenue

Beginning in 2010-2011, Tobacco Settlement revenue from the State has been deposited in the General Fund. This payment is received from the State of California in April of each year. The 2025-2026 payment was recently received and totaled $8.6 million, which is $500,000 below the 2024-2025 receipts of $9.1 million. The 2026-2027 Budget assumes collections will increase slightly and total $8.8 million.

State Grants and Reimbursements

The City receives several reimbursements from the State on an annual basis, which total $2.7 million in 2026-2027. These ongoing revenues include: Auto Theft reimbursement ($1.0 million); Abandoned Vehicle Abatement ($400,000); and Highway Maintenance Charges reimbursement ($100,000). In addition, funding received from the State for Vehicle License Fees Collection in Excess is included in this revenue category. This funding, which is estimated at $1.2 million in 2026-2027, accounts for the Vehicle License Fee revenues that are collected by the Department of Motor Vehicles as a result of certain compliance procedures that are equally apportioned to counties and cities on a population basis.

REVENUE FROM FEDERAL GOVERNMENT

2024-2025 Actual	$ 6,433,084
2025-2026 Adopted	$ 7,249,884
2025-2026 Estimate*	$ 8,732,687
2026-2027 Forecast	$ 0
2026-2027 Proposed	$ 1,762,686
% of General Fund	0.1 %
% Change from 2025-2026 Adopted	(75.7 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.

Revenue Estimates

The Revenue from the Federal Government category accounts for grants and reimbursements that are received from the Federal Government. Collections in this category are estimated to reach $8.7 million in 2025-2026 and $1.8 million in 2026-2027. The decrease in 2026-2027 revenue is primarily due to reimbursements and grants that are not secured on an ongoing basis being eliminated.

The 2026-2027 Proposed Budget includes an action to recognize new federal grant funding for the Urban and Community Forestry Program ($1.8 million). Additional detail on this budget action is provided in the Transportation Department under the *City Departments* section of this document.

OTHER REVENUE

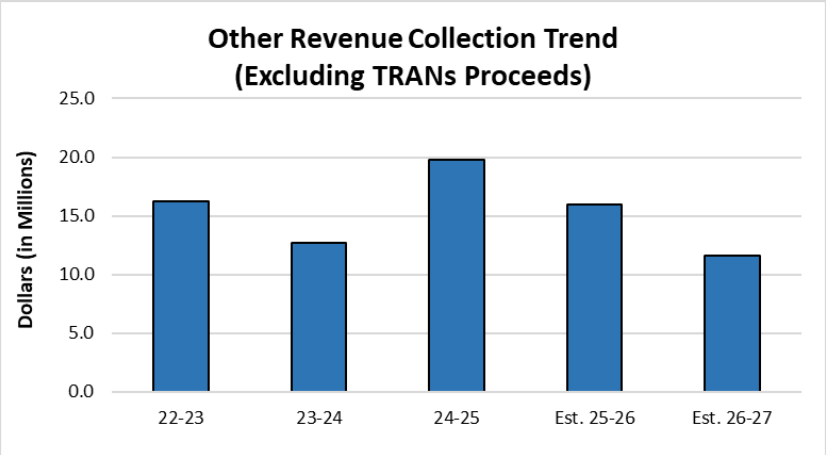
2024-2025 Actual	$ 19,803,291
2025-2026 Adopted	$ 12,392,952
2025-2026 Estimate*	$ 15,828,296
2026-2027 Forecast**	$ 11,486,625
2026-2027 Proposed	$ 11,632,345
% of General Fund	0.7 %
% Change from 2025-2026 Adopted	(6.1 %)

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.
** The 2026-2027 Forecast was increased $691,725 from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

The Other Revenue category consists of miscellaneous revenues received from a variety of sources, including payments from Comcast and AT&T required under the Franchise Agreement, cost reimbursements for the Investment Program, proceeds from the Sale of Surplus Property, Sidewalk Repair and Tree Maintenance Activities, and Miscellaneous Other Revenue.

This category is expected to generate $15.8 million in 2025-2026 and $11.6 million in 2026-2027. The 2026-2027 Other Revenue estimate assumes the continuation of current year activity levels with revisions, where appropriate, for 2026-2027 costs or agreements and the elimination of one-time funding sources.



The 2026-2027 Proposed Budget includes an action to recognize funding of $135,000 that is anticipated to be received as the result of the Finance Department conducting an Accounts Receivable Amnesty Program. This program, which will be administered from April 2027 through September 2027 and result in estimated revenue of $270,000 over two fiscal years, will allow residents with overdue invoices to bring their accounts current without incurring penalties and legal consequences. Additional details on this budget action are provided in the Finance Department under the *City Departments* section of this document. The Proposed Budget includes actions in the Transportation Department to align revenues with estimated activity levels, reflect fee revisions, and maintain cost recovery levels ($10,720). The major ongoing components of the Other Revenue category are described below.

OTHER REVENUE

Investment Program Reimbursement

The 2026-2027 revenue estimate for Investment Program Reimbursements is $1.3 million based on the estimated costs of the Investment Program in the Finance Department that will be reimbursed from investment earnings.

Public, Education, and Government (PEG) Access Facilities

In 2026-2027, payments from Comcast and AT&T required under the Franchise Agreement are estimated at $1.1 million. As defined in the Franchise Agreement, these funds will be used to support the Public, Education, and Government (PEG) Access Facilities. There is an associated City-Wide Expenses allocation for this purpose, which is further described in the *City-Wide Expenses* section of this document.

Sidewalk Repair

When the City performs sidewalk repair services for non-owner-occupied residences, the property owners reimburse the City for those costs. The 2026-2027 revenue estimate for this category is $2.5 million. There is a corresponding City-Wide Expenses allocation to fund the contractual sidewalk repairs, which is further described in the *City-Wide Expenses* section of this document.

Tree Maintenance Activities

Property owners are also assessed for the costs of tree services provided by the City. If the City performs emergency tree services, such as removing a tree that has fallen in the street, the property owner is assessed a fee to cover the cost of this service. In 2026-2027 this fee revenue is estimated at $500,000. There is a corresponding City-Wide Expenses allocation to provide this service, which is further described in the *City-Wide Expenses* section of this document.

TRANSFERS AND REIMBURSEMENTS

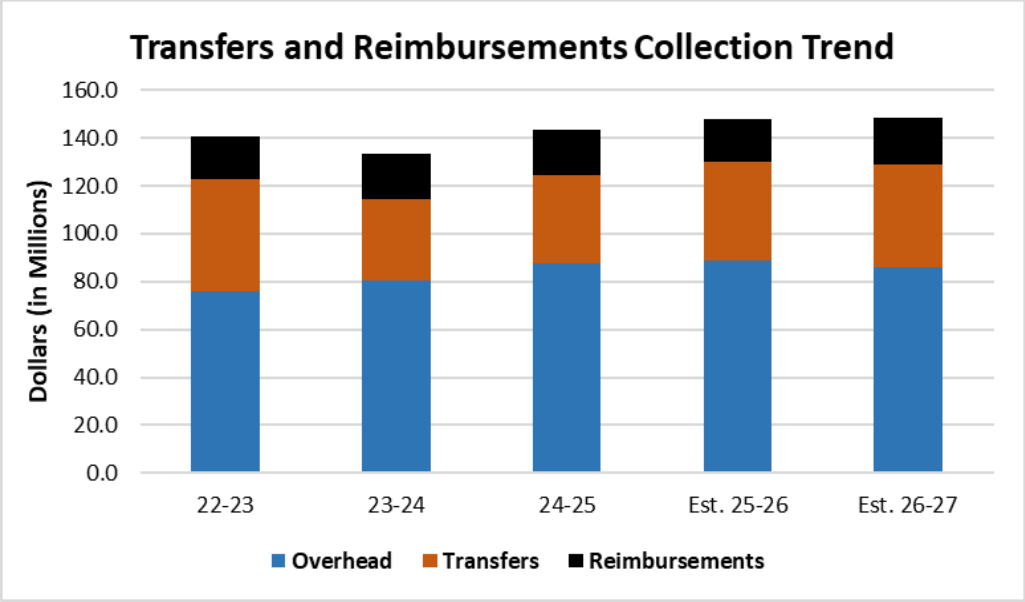
2024-2025 Actual	$ 143,439,459
2025-2026 Adopted	$ 145,867,936
2025-2026 Estimate*	$ 148,085,472
2026-2027 Forecast**	$ 143,143,004
2026-2027 Proposed	$ 148,218,380
% of General Fund	9.1 %
% Change from 2025-2026 Adopted	1.6 %

* The 2025-2026 Estimate is developed as part of the Proposed Budget and reflects information known at that time.
** The 2026-2027 Forecast was increased by $1.2 million from the February Forecast; additional details can be found in the General Fund Overview section.

Revenue Estimates

The Transfers and Reimbursements revenue category accounts for funds received by the General Fund from other City funds through a combination of means, including overhead charges, reimbursements for services rendered, or transfers.

In total, Transfers and Reimbursements are anticipated to generate approximately $148.2 million in 2026-2027. The following is a discussion of the three major subcategories included in the Transfers and Reimbursements revenue category: Overhead Reimbursements; Transfers; and Reimbursements for Services.



TRANSFERS AND REIMBURSEMENTS

Overhead Reimbursements

The Overhead Reimbursements category includes overhead reimbursements from both operating and capital funds. In 2026-2027, a total of $86.1 million in overhead reimbursements is projected based on 2026-2027 overhead rates prepared by the Finance Department applied against the budgeted 2026-2027 applicable salaries. This figure reflects the following: an increase of $1.2 million incorporated into the Revised Forecast based on final overhead rates and updated allocations of staff across funds; and an increase of $128,376 incorporated into the 2026-2027 Proposed Budget generated from various budget actions that changed the staffing levels funded by capital and special funds. Descriptions of the budget actions that generate these overhead reimbursement changes can be found in the *City Departments* Section of this document. A summary of the overhead reimbursement between the Revised Forecast and the Proposed Budget by fund is detailed below.

Fund	Overhead Adjustment
Multi-Source Housing Fund (448)	$ 171,801
Public Works Development Fee Program Fund (241)	112,331
San Jose Clean Energy Fund (501)	88,070
Integrated Waste Management Fund (423)	80,222
Building Development Fee Program Fund (237)	42,535
Homeless Housing, Assistance, and Prevention Fund (454)	38,169
Vehicle Maintenance and Operations Fund (552)	30,190
Airport Maintenance and Operation Fund (523)	23,040
San José/Santa Clara Treatment Plant Operating Fund (513)	14,717
Fire Development Fee Program Fund (240)	10,590
Building Homes and Jobs Act Fund (456)	7,674
Low and Moderate Income Housing Asset Fund (346)	838
Storm Sewer Operating Fund (446)	807
South Bay Water Recycling Operating Fund (570)	293
Convention and Cultural Affairs Fund (536)	200
Capital Funds	(392,293)
Rent Stabilization Program Fee Fund (450)	(59,028)
Planning Development Fee Program Fund (238)	(24,387)
Water Utility Fund (515)	(11,470)
Sewer Service and Use Charge Fund (541)	(5,923)
Total Adjustments	**$ 128,376**

TRANSFERS AND REIMBURSEMENTS

Transfers

The Transfers category is projected at $42.9 million in 2026-2027. The largest component of this category is a transfer from the Airport Maintenance and Operation Fund totaling $21.9 million to reimburse the General Fund for police and aircraft rescue and firefighting services provided by the Police and Fire Departments. These reimbursements have been built to cover the 2026-2027 direct and indirect costs associated with these emergency services. Additional large 2026-2027 revenues include transfers from Construction and Conveyance Tax Funds ($4.4 million) for park maintenance costs and methane monitoring, interest earnings that are transferred from various funds to the General Fund ($7.9 million), and Construction Excise Tax Fund ($3.3 million). The 2026-2027 Proposed Budget includes actions to establish or increase transfers from five Special and Capital Funds to the General Fund. These transfers include: Construction Excise Tax Fund ($1.5 million), San José Municipal Golf Course Fund ($1.5 million), General Purpose Parking Fund ($1.2 million), Integrated Waste Management Fund ($700,000), and Convention and Cultural Affairs Fund ($47,000).

Reimbursements for Services

The largest single source of revenue in the Reimbursement for Services category is reimbursements from the Gas Tax Funds for the cost of City street-related expenses. Gas Tax Fund collections are based on a per gallon charge, regardless of gasoline prices, therefore revenue is heavily reliant on activity levels. Higher gasoline consumption levels positively impact revenue collections. In addition, a portion of the Gas Tax revenue is allocated to cover various State-wide expenses, which affects net receipts as well. In 2025-2026 Gas Tax receipts are estimated at $17.4 million, which is lower than 2024-2025 actual collections of $18.3 million. In 2026-2027, Gas Tax receipts are estimated to rebound from the current year low and total $18.3 million.

The Reimbursements for Services category reimburses the City for actual costs associated with the Deferred Compensation Program, Voluntary Employee Beneficiary Association (VEBA) Fund, and the Maintenance Assessment District Funds. These amounts have been set to recover costs in 2025-2026 of $977,991.

GENERAL FUND REVENUE ESTIMATES

BEGINNING FUND BALANCE

Rebudget: Contingency Reserve	$ 53,000,000
2025-2026 Expenditure Savings/Additional Revenue*	$ 29,734,000
Unexpended Earmarked Reserves*	$ 59,561,000
Liquidation of Prior Year Encumbrances*	$ 3,479,155
Fund Balance Subtotal:	**$ 145,774,155**
Reserve for Encumbrances	$ 85,371,421
Fund Balance Total:	**$ 231,145,576**
% of General Fund**	9.0 %

* Used for 2026-2027 Proposed Budget balancing purposes.
** Excludes Reserve for Encumbrances.

Estimates for both the unrestricted and restricted (reserve for encumbrances) portions of the 2025-2026 Ending Fund Balance/2026-2027 Beginning Fund Balance, totaling $231.1 million, are included as part of the 2026-2027 Proposed Budget. The estimate for the encumbrance reserve is set at the 2024-2025 actual level ($85.4 million). The Proposed Budget includes a matching expenditure amount intended to reflect the corresponding encumbrances that are estimated for 2026-2027. The estimate for unrestricted Beginning Fund Balance (excluding the Reserve for Encumbrances) is set at $145.8 million in 2026-2027.

When the Forecast was initially developed, the Beginning Fund Balance projection totaled $96.0 million and included the following: an unexpended (rebudgeted) Contingency Reserve estimate of $53.0 million; a combination of excess revenues and expenditure savings totaling $29.0 million; partial liquidation of the Revenue Loss Reserve ($13.0 million); and the liquidation of prior year encumbrances ($1.0 million). After the release of the Five-Year Forecast in February 2026, the Beginning Fund Balance was increased by $2.5 million to reflect an additional liquidation of the Revenue Loss Reserve ($2.5 million). As a result of this action, the 2026-2027 Revised Forecast Beginning Fund Balance totaled $98.5 million.

In the Proposed Budget, Beginning Fund Balance adjustments totaling $47.3 million are included, which is attributable to the liquidation of various reserves ($44.1 million), liquidation of prior year encumbrances ($2.5 million), and expenditure savings (734,000). As a result of these actions, the Beginning Fund Balance increased from the Revised Forecast level of $98.5 million to $145.8 million (excluding the Reserve for Encumbrances). Details on the Beginning Fund Balance adjustments included in the Proposed Budget are summarized below.

- Liquidation of various reserves totaling $44.1 million, including Budget Stabilization Reserve ($35.0 million), Information Technology Sinking Fund Reserve ($6.6 million), Artificial Turf Capital Replacement Reserve ($1.6 million), and Multiple Housing Fee Program Reserve ($900,000).

BEGINNING FUND BALANCE

- Additional liquidation of a prior year encumbrance related to the Business Tax System ($2.5 million).

- Additional fund balance from expenditure savings in 2025-2026 in the amount of $734,000, including the Business Tax Systems ($643,000) and Finance Department Non-Personal/Equipment ($91,000).

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PROPERTY TAX

On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the State Constitution and placed restrictions on the valuation of real property and on the imposition of ad valorem property tax. Under current law, all taxable real and personal property is subject to a tax rate of one percent of the assessed value. (In June 1986, California voters approved a Constitutional Amendment, which provides for an exception to the one-percent limitation. The Amendment allows local governments and school districts to raise property taxes above one percent to finance general obligation bond sales. A tax increase can only occur if two-thirds of those voting in a local election approve the issuance of bonds.) The assessed value of real property that has not changed ownership adjusts by the change in the California Consumer Price Index up to a maximum of two percent per year. Property which changes ownership, property which is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap, thereafter.

In 1979, in order to mitigate the loss of property tax revenues after approval of Proposition 13, the State Legislature approved Assembly Bill 8 (AB 8). This action was approved to provide a permanent method for allocating the proceeds from the 1% property tax rate, by allocating revenues back to local governments based on their historic shares of property tax revenues. AB 8 shifted approximately $772 million of school district property tax revenue to local governments and backfilled schools' lost revenue with subsidies from the State General Fund. Actions taken by the State in order to balance the 1992-1993 and 1993-1994 State budgets partially reversed the AB 8 formula. The 1992-1993 action reduced the City's Property Tax proceeds by nine percent, and shifted this funding to schools in order to reduce the amount of State backfill required. As part of the State's 1993-1994 Budget, the AB 8 formula was again altered requiring another ongoing shift in City Property Tax revenue to K-12 schools and community colleges.

In November 1993, the City Council elected to participate in the Teeter Plan, which is an alternative method for County property tax apportionment. Under this alternative method authorized by the State Legislature in 1949, the County apportions property tax on the basis of the levy without regard for delinquencies. With the adoption of the Teeter Plan in 1993-1994, the City received a one-time buy out of all current, secured property tax delinquencies as of June 30, 1993, which totaled $3.5 million. Under this system, the City's current secured tax payments are increased for amounts that typically were delinquent and flowed to the secured redemption roll, but the City gave up all future penalties and interest revenue derived from the delinquencies.

In 2004-2005, the State budget included a permanent reduction of the Motor Vehicle In-Lieu (MVLF) tax rate from 2% to 0.65% (its current effective rate). As part of the State budget action, the loss of MVLF was approved to be replaced with a like amount of property tax revenue, on a dollar-for-dollar basis, which now grows based on assessed valuations.

SALES TAX

The Sales Tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The Use Tax is an excise tax imposed on a person for the storage, use, or other consumption of tangible personal property purchased from any retailer. The local Sales and Use Tax is collected and administered by the California Department of Tax and Fee Administration and is authorized by the Uniform Local Sales and Use Tax Law and the Bradley-Burns Uniform Local Sales and Use Tax Law. The proceeds of sales and use taxes imposed within the boundaries of San José are distributed by the State to various agencies, with the City of San José receiving one percent.

On November 2, 1993, Proposition 172 (Public Safety Fund) was approved allowing for the permanent extension of the half-cent State sales tax that was originally imposed on July 15, 1991, and was to sunset on June 30, 1993. (On July 1, 1993, a six-month extension of the tax was granted by the State in order to provide a source of one-time funding for cities and counties to partially offset 1993-1994 ongoing property tax reductions.) The passage of the Proposition 172 legislation, effective January 1, 1994, required that the proceeds from the 0.5% tax be diverted from the State to counties and cities on an ongoing basis for funding public safety programs.

The current distribution of the sales tax proceeds is outlined below, which includes a voter-approved 1/4 percent local transaction and use tax enacted by the City of San José effective October 1, 2016 (sunsetting September 30, 2031 to fund essential City services such as: improving police response to reduce violent crimes and burglaries; improving 911/emergency medical and fire response times; repairing potholes and streets; expanding gang prevention; and maintaining the City's long-term financial stability).

Sales Tax Rates	
State – General Fund	3.9375%
State – Local Revenue Fund	1.5625
State – County Transportation Funds	0.2500
State – City of San José	1.0000
Public Safety Fund (Proposition 172)[1]	0.5000
Sub-Total Statewide Sales and Use Tax	***7.2500***
Local – City of San José[2]	0.2500
Santa Clara County Transit District[3]	0.5000
Santa Clara County Valley Transportation Authority[4]	0.5000
Santa Clara VTA BART Operating and Maintenance Transactions and Use Tax[5]	0.1250
Santa Clara County Retail Transactions and Use Tax[6]	0.1250
Silicon Valley Transportation Solutions Tax[7]	0.5000
Peninsula Corridor Joint Powers Board (Caltrain)[8]	0.1250
Santa Clara County (Measure A)[9]	0.6250
Total Sales and Use Tax	***10.0%***

(1) City of San José receives a portion of this Sales and Use Tax revenue that varies from year to year.
(2) Approved by voters in June 2016, and effective October 1, 2016, (sunsets September 30, 2031).
(3) Approved by voters in 1976; does not expire. Imposed by VTA.
(4) Approved by voters in November 2000, and effective April 1, 2006 (sunsets March 31, 2036). Imposed by VTA.
(5) Approved by voters in November 2008 and effective July 1, 2012 (sunsets June 30, 2042). Imposed by VTA.
(6) Approved by voters in November 2018; does not expire.
(7) Approved by voters in June 2016, and effective April 1, 2017 (sunsets March 31, 2047). Imposed by VTA.
(8) Approved by voters in November 2020, and effective July 1, 2021 (sunsets June 30, 2051). Imposed by Peninsula Corridor Joint Powers Board, which owns and operates Caltrain.
(9) Approved by voters in November 2025, and effective April 1, 2026 (sunsets March 31, 2031).

SALES TAX

Major items, such as services, are exempt from the tax code. As part of a 1991-1992 legislative action, tax exemptions were removed from candy and snack foods, bottled water, newspapers and periodicals, and fuel and petroleum products sold to certain carriers. The removal of these exemptions became effective July 1991. On November 3, 1992, however, the voters approved Proposition 163, which partially repealed the prior action, re-establishing the exemption for snack foods, candy, and bottled water effective December 1, 1992.

TRANSIENT OCCUPANCY TAX

The Transient Occupancy Tax is assessed as a percentage of the rental price for transient lodging charged when the period of occupancy is 30 days or less. The combined tax rate is currently 10%, of which 6% is placed in the Transient Occupancy Tax Fund and 4% is deposited in the General Fund. The General Fund portion (4% of rent) of the tax is authorized by Title 4 of the Municipal Code, Section 4.74, Ordinance number 21931. The Transient Occupancy Tax Fund portion of the revenues (6% of rent) is authorized by Title 4 of the Municipal Code, Section 4.72, Ordinance number 23481, with the use of funds restricted to the following uses:

1) Approximately 50% shall support the City's operating subsidy to the convention and cultural facilities of the City of San José.

2) The remaining 50% shall the support the following uses, with respective funding levels determined by the City Council:

    a. Funding of the Convention and Visitors Bureau (historically, approximately 25%); and

    b. Funding for the cultural grant program and fine arts division programs, including funding of cultural grants and expenses of the fine arts division, including, but not limited to, personal and non-personal/equipment expenses, fringe benefits, and overhead (historically, approximately 25%).

The General Fund portion, or 40% of the Transient Occupancy Tax, was enacted as a general tax. The other 60% of the Transient Occupancy Tax is restricted for the support of arts and cultural development, operation of a convention and visitors bureau and the convention and cultural facilities of San José. Although not specifically related to the Transient Occupancy Tax, many hotels in San José also belong to the Convention Center Facilities District, which assesses an additional special tax on daily room rates of 4%. Revenues from the Convention Center Facilities District are restricted for debt service payments or capital improvements related to the Convention Center. Of the approximately 14% total tax assessed on room rates at most hotels, only the 4% portion of the Transient Occupancy Tax is deposited into the General Fund.

FRANCHISE FEES

The City collects compensation from Pacific Gas and Electric Company (PG&E) for the use of City streets in the distribution of natural **gas** and **electricity**. PG&E is assessed 2.0% of the gross receipts representing its sale of electricity and natural gas for a calendar year within the City limits. The taxes are authorized by Title 15 of the Municipal Code, Chapter 15.32, and no authorized exemptions exist.

On February 9, 2010, the City Council approved ordinances amending the franchises with PG&E for the sale of natural gas and the sale of electricity. These amendments added a franchise fee surcharge of 0.3%, resulting in a total franchise fee remitted to the City of 2.3% of gross receipts from the sale of gas and electricity in the City through 2021. The 0.3% surcharge was approved by the California Public Utilities Commission (CPUC) effective May 5, 2010. Implementation of the surcharge began in September 2010.

On March 24, 2026, the City Council approved a franchise agreement with LS Power Grid California, LLC (LS Power) for the transmission of electric services in the City's public rights-of-way. LS Power will be assessed an annual franchise fee equal to 2.3% of revenue for use of the public right-of-way to convey electrical transmission lines, consistent with the franchise rate applied to PG&E. LS Power will remit payments within 60 days after the end of each calendar year.

From the sale of **nitrogen gas**, the City collects an annual fee of $0.119/linear foot of gas-carrying pipe installed within public streets. In addition, each customer is required to pay an annual per connection fee of $118.76 multiplied by the inside diameter of pipe expressed in inches at the property line. A minimum of $1,000 total franchise fees per calendar year is required. The fee is authorized by City Ordinance number 20822 and amended by Ordinance number 25054; there are no authorized exemptions.

On July 1, 1996, **Commercial Solid Waste** (CSW) collection franchise fees were converted to a volume basis. This revision amended the previous structure (which had been in effect since January 1, 1995) that assessed a franchise fee equal to 28.28% of gross receipts in excess of $250,000. With that change, fees were set at $1.64 per cubic yard per collection for cubic yards in excess of 43,000 (the cubic yard basis is tripled if the waste has been compacted) in a fiscal year, and were assessed on any commercial business engaged in the collection, transportation, or disposal of garbage and/or rubbish (solid waste) accumulated or generated in the City of San José. In December 1997, the City Council increased the rate to $2.41 effective on January 1, 1998. In 1999-2000, this fee was increased to $2.84 per cubic yard. In 2002-2003, a three-year gradual shift in the revenue distribution between the CSW and AB 939 fees (also known as the "commercial source reduction and recycling fee" collected and deposited in the Integrated Waste Management Fund) was approved, which increased the amount collected for CSW to $3.34 per cubic yard in 2004-2005. In 2005-2006, the City Council increased the fee by 4.5% ($0.15 per cubic yard) to $3.49 per cubic yard.

In 2006-2007, an additional 5.0% increase was approved by the City Council, which brought the fee to $3.67 per cubic yard. In 2009-2010, the elimination of the fee exclusion for the first 20,000 cubic yards hauled in the fiscal year was approved.

FRANCHISE FEES

On October 19, 2010, the City Council amended the CSW franchise fee to a fee for franchises based on geographic collection districts rather than volume. The volume-based fee remains for franchisees that do not have a franchise based on geographic collection district, such as non-exclusive franchise holders that collect construction and demolition and residential clean-out material. However, this fee is Zero Dollars ($0.00) per cubic yard, or fraction thereof, of construction and demolition debris or residential clean-out material with twenty percent (20%) or less incidental contamination. The base fee of $5.0 million per year for each of two geographic collection districts, plus a supplemental fee of $1.0 million for the right to conduct CSW services in both the North District and the South District became effective July 1, 2012, and is subject to an annual adjustment not to exceed the percentage increase in the annual Consumer Price Index (CPI). The CSW fee is authorized by Title 9 of the Municipal Code, Chapter 9.10.1710.

The City collects a **Cable Television Franchise Fee** from any company that provides cable television (Municipal Code, Title 15, Chapter 15.34). The current fee requires each State video franchise holder to pay the city a franchise fee that is 5% of gross revenues derived from subscriptions. Excluded from the gross receipts are amounts derived from installation, late charges, advertising, taxes, line extensions, and returned check charges.

The **Water Franchise Fee** was established in 1995-1996 (effective July 27, 1995, Title 15 of the Municipal Code, Section 15.40). The assessment of the fee is allowable under State law, which asserts that a city can collect a franchise fee from a water utility company for laying pipelines and operating them in public right-of-ways. The fee is equal to the greater of either: 1) 2% of the utility's gross annual receipts arising from the use, operation, or possession of facilities located in public streets within the City limits established on or after October 10, 1911, or 2) 1% of all gross receipts derived from the sale of water within the City limits. Those portions of the water company's system that are established in private right-of-ways or utility easements granted by private developers are exempted from the franchise fee assessment. It should be noted that the City is not assessing a Water Franchise Fee on the San Jose Water Company due to a Santa Clara County Superior Court ruling that states San José cannot impose a franchise fee on that company.

UTILITY TAX

The Utility Tax is charged to all users of a given utility (gas, electricity, telephone, and water) other than the corporation providing the utility (i.e., a utility company's consumption of all utilities used in the production or supply of their service is not taxed). For the electricity, gas, and water categories, consumers pay 5% of their utility charges to the utility company that acts as a collection agent for the City. For the telephone utility tax, consumers pay 4.5% on all intrastate, interstate, and international communication services regardless of the technology used to provide such services. Private communication services, voice mail, paging, and text messaging are treated the same as traditional telephone services. In November 2008, voters approved Measure K that reduced the telephone utility rate from 5.0% to 4.5% and broadened the base for the tax and the definition of technologies covered by the tax. The tax is not applicable to State, County, or City agencies. Also, per State regulations, insurance companies and banks are exempted from the tax. This tax is authorized by Title 4 of the Municipal Code, Section 4.68.

BUSINESS TAXES

The **General Business Tax** was first adopted on July 15, 1963. The methodology used for calculating the Business Tax (Chapter 4.76 of the San José Municipal Code) was adopted in 1984 and adjusted in 1986. In November 1996, the rates were increased to reflect an annual inflation factor as part of the New Realities Task Force recommendations contingent on voter approval. Because the voters did not approve the continuation of the increase in November 1998, the rates were returned to the levels prior to November 1996. Those rates stayed in effect until San José voters approved the Business Tax Modernization measure on November 8, 2016. In addition to expanding the application of tax to more business classes, the Business Tax Modernization measure increased the base tax, the incremental tax, and the cap (the maximum amount of tax affecting large businesses). The Business Tax Modernization measure rates went into effect July 1, 2017, and will be adjusted annually on July 1st for inflation changes.

The following charts present the business tax rate structure after the Business Tax Modernization, along with the inflation adjusted rates for the periods listed.

Employee Count

Every person engaged in business in the City shall pay a business tax based on employee count, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Businesses: Employee Count[1]	July 2023 - June 2026	Effective July 1, 2026[3]
Base Tax: 1-2 employees	$219.60	**$222.89**
Incremental Tax: 3-35[2]	$37.06	**$37.98**
Incremental Tax: 36-100[2]	$49.40	**$50.62**
Incremental Tax: 101-500[2]	$61.75	**$63.28**
Incremental Tax: 501+[2]	$74.15	**$75.99**
Cap	$185,532.59	**$190,128.24**

[1] Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

[2] Incremental tax rates are applicable per employee.

[3] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

BUSINESS TAXES

Residential Rental Property Units

Every person in the City engaged in the business of renting or leasing any residential real estate shall pay a business tax based on the number of rental units held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Residential Landlords: Rental Units	July 2025 - June 2026	Effective July 1, 2026[2]
Base Tax: 1-2 units	$219.60	**$222.89**
Incremental Tax: 3-35[1]	$37.06	**$12.65**
Incremental Tax: 36-100[1]	$49.40	**$18.97**
Incremental Tax: 101-500[1]	$61.75	**$25.30**
Incremental Tax: 501+[1]	$74.15	**$31.63**
Cap	$185,532.59	**$190,128.24**

[1] Incremental tax rates are applicable per unit.

[2] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

Commercial (Non-Residential) Rental Property Units

Every person in the City engaged in the business of renting or leasing any non-residential real estate shall pay a business tax based on the square footage of space held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Commercial Landlords	July 2025 - June 2026	Effective July 1, 2026[2]
Base Tax	$219.60	**$222.89**
Flat Incremental Tax: per Square Foot[1]	$0.0308	**$0.0316**
Cap	$185,532.59	**$190,128.24**

[1] Incremental tax rates are applicable per square foot.

[2] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

BUSINESS TAXES

Mobile Home Parks Rental Units

Every person in the City engaged in the business of renting or leasing any mobile home parks shall pay a business tax based on the number of lots held for rental, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Mobile Home Parks – Rental Lot	July 2025 - June 2026	Effective July 1, 2026[2]
Base Tax: 1-2 lots	$219.60	**$222.89**
Incremental Tax: 3+ lots[1]	$12.34	**$12.65**
Cap	$185,532.59	**$190,128.24**

[1] Incremental tax rates are applicable per unit.

[2] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

Water Meter Connections

Every person engaged in the business of a public water utility in the City shall pay a business tax based upon the number of active metered connections within the city, unless the basis of the tax is otherwise prescribed in the San José Municipal Code.

Water Companies	July 2024 - June 2025	Effective July 1, 2025[2]
Base Tax	$219.60	**$222.89**
Flat Incremental Tax: per connection[1]	$1.22	**$1.25**
Cap	$185,532.59	**$190.128.24**

[1] Incremental tax rates are applicable per unit.

[2] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

Out of Town Businesses

Every person engaged in business in the City shall pay a business tax based on an employee count, unless the basis of tax is otherwise prescribed in the San José Municipal Code.

BUSINESS TAXES

Out of Town Businesses

Out of Businesses:	Effective July 1,2026[3]				
Employee Count[1]	**120+ days**	**90-119 Days**	**30-89 days**	**6-29 days**	**5 or less days[4]**
Base Tax: 1-2 employees	$222.89	$111.44	$83.58	$55.72	$0.00
Incremental Tax: 3-35[2]	$37.97	$18.99	$14.24	$9.49	$0.00
Incremental Tax: 36-100[2]	$50.62	$25.31	$18.98	$12.66	$0.00
Incremental Tax: 101-500[2]	$63.28	$31.64	$23.73	$15.82	$0.00
Incremental Tax: 501+[2]	$75.99	$38.00	$28.50	$19.00	$0.00
Cap	$190,128.24	$190,128.24	$190,128.24	$190,128.24	$0.00

[1] Businesses choose between calculating the number of employees based on full-time equivalent (FTE) or based on the number employers report to the California Employment Development Department (EDD).

[2] Incremental tax rates are applicable per employee.

[3] As prescribed in San José Municipal Code Section 4.76.485, the base tax rate shall be adjusted annually if the cost of living in the City has increased over the base period, as shown by the Consumer Price Index (All Urban Consumers for All Items for the San Francisco-Oakland-Hayward, CA Area), using February to February data; limited to 1.5% per year on the minimum base tax, 3.0% per year on the incremental tax brackets, and 3.0% per year on the cap. For the period February 2025 to February 2026, the CPI grew by 2.477%, which resulted in the minimum base tax increasing by 1.5% and the incremental tax bracket increasing to 2.477%, in line with the prescribed limits.

[4] For businesses in San José only 5 or less days, there is no fee, but the business is still required to submit registration. They will receive an account number, but a certificate will not be issued. These accounts automatically expire annually.

Exclusions and Exemptions

There are several exclusions (by Federal or State regulations) or exemptions (by the City Council) from the General Business Tax. The major types of exempt organizations include banks and insurance companies, charitable and non-profit organizations, interstate commerce, and low revenue generation businesses.

Specialty Business Taxes

On May 26, 1987, the City Council enacted a new **Disposal Facility Tax,** which became effective July l, l987. The rate structure is based on the weight of solid waste disposed. On July 1, 1992, the City Council increased the Disposal Facility Tax from $3.00 per ton of disposed waste to $13.00 per ton. This tax is assessed on landfills located in the City of San José. Beginning 2002-2003, waste previously classified as alternate daily cover was made subject to the Disposal Facility Tax. After a legal challenge, the City reinstated the alternate daily cover exemption in August 2005.

During 1991-1992, the City Council approved a cardroom ordinance, which contained the provision of a **Cardroom Business Tax** to tax gross receipts from cardrooms located in the City. On June 9, 1992, the City Council amended the cardroom ordinance, increasing the tax rate schedule and expanding the permissible games authorized. A gross receipt monthly tax schedule

BUSINESS TAXES

Specialty Business Taxes

was established with taxes ranging from 1% to 13% of gross receipts. In 1993-1994, the City Council approved a revision to the cardroom ordinance, instituting a flat 13% gross receipts tax for all cardrooms located in the City with annual gross revenues in excess of $10,000. In June 2010, voters approved a ballot measure that increased the tax rate from 13% to 15% and increased the maximum number of card tables from 80 to 98. In November 2020 voters approved a ballot measure to increase the tax rate from 15% to 16.5% and extend the cardroom tax to those businesses providing Third-Party Proposition Player Services in the cardrooms. Further, voters approved increasing the maximum number of card tables from 98 to 128; however, this increase was subsequently denied by the State Gambling Control Commission.

On November 2, 2010, San José voters approved Ballot Measure U, which allowed the City to tax all marijuana businesses (medical and non-medical; legal and illegal) at a rate of up to 10% of gross receipts. On December 13, 2010, the City Council approved an ordinance that set the **Cannabis Business Tax** (formerly Marijuana Business Tax**)** at 7%, and on June 4, 2013, the City Council increased the rate to 10% effective on July 1, 2013. On May 21, 2019, the City Council approved an ordinance that amended Chapter 4.66 to rename the Marijuana Business Tax to the Cannabis Business Tax (CBT) and to establish a tiered CBT rate structure for various categories of cannabis business activities. Effective July 1, 2019, the following CBT rates are applicable on the gross receipts:

Business Activity	July 2013 - June 2019	Effective July 1, 2019
Cultivation	10%	4%
Manufacturing	10%	3%
Distribution	10%	2%
Laboratory Testing	10%	0%
Retail / Delivery Sales	10%	10%

REAL PROPERTY TRANSFER TAX

On March 3, 2020, San José voters approved Measure E, Real Property Transfer Tax. This tax, which became effective on July 1, 2020, is imposed at a tiered level for property transfers (sales) over a specific threshold. The Real Property Transfer Tax is a general tax, which means the City of San José can use the revenue for any governmental purpose.

The rate for the Real Property Transfer Tax as of July 1, 2025 is as follows:

1) Up to $2.3 million – Exempt;[1]
2) Over $2.3 million to $5.0 million – 0.75% of the transferred property value;
3) Over $5.0 million to $10.0 million – 1.0% of the transferred property value; and
4) Over $10.0 million – 1.5% of the transferred property value

[1] Beginning July 1, 2025, the original exemption threshold of under $2,000,000 automatically adjusts based on a consumer price index every five years. The Finance Director will publish the exemption threshold as adjusted no later than April 30 prior to the July 1 date on which the adjustment to the exemption threshold becomes effective. Beginning July 1, 2025 the exemption threshold increased from $1,999,999.99 to $2,300,000. The next consumer price index adjustment will occur on July 1, 2030.

GENERAL FUND REVENUE DESCRIPTIONS

TELEPHONE LINE TAX

In November 2008, voters approved Measure J that replaced the Emergency Communication System Support (ECSS) Fee with a tax in an amount that is 10% less than the ECSS Fee. The tax amount is $1.57 per telephone line per month and $11.82 per commercial type trunk line. The City ceased collecting the fee and began collecting the tax by April 1, 2009. The tax is collected from telephone users on their telephone bills. Exemptions to the tax include low-income seniors and disabled persons who receive lifeline telephone service.

LICENSES AND PERMITS

The City requires payment for the issuance of various health and safety-related licenses and permits. For most licenses and permits, the various fees charged by a given department are based on full recovery of the estimated costs for providing each service. For example, the City requires fire safety inspections of all commercial property. The fee provides for inspection charges and a number of special charges. Authorized exceptions include the addition and/or alteration of under 20 sprinkler heads and the installation of portable extinguishers. The fee is authorized by Title 17 of the Municipal Code, Chapter 17.12. Where appropriate, license and permit fees take into consideration approved exceptions to the City Council's full cost recovery policy, as well as applicable State laws. Specific prices and rates are determined by ordinance and each of the charges is fully explained in the City's Fees and Charges Report, which is released in May of each year.

Prior to 2020-2021, this category included development-fee revenue related to the Fire Department and Planning, Building and Code Enforcement Department. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs are no longer captured in the General Fund, and are instead allocated to specific Development Fee Program Funds. As before, the Development Fee Programs remain at 100% cost recovery.

FEES, RATES, AND CHARGES

Fees, Rates, and Charges are comprised of fees charged for services, which are primarily provided by the following departments: Police; Transportation; Library; and Parks, Recreation and Neighborhood Services. Prior to 2020-2021, this category included development-fee revenue related to the Planning, Building and Code Enforcement Department and Public Works Department. However, beginning in 2020-2021, all revenue and expenditures related to the Development Fee Programs are no longer captured in the General Fund, and are instead allocated to specific Development Fee Program Funds. As before, the Development Fee Programs remain at 100% cost recovery.

The fees in this category are determined by ordinance and described in the City's annual Fees and Charges Report, which is released in May of each year. In addition, it should be noted that the fees assessed by the Parks, Recreation and Neighborhood Services Department can be found on the internet (www.sanjoseca.gov/your-government/departments/parks-recreation-neighborhood-services).

FINES, FORFEITURES AND PENALTIES

The City receives a portion of the fines collected in connection with violations of the State Vehicle Code on city streets. Various fines may be assessed in addition to those imposed by the Santa Clara County bail schedule and judges' sentences. The County court system collects the fines as authorized by the State Vehicle Code and makes monthly remittances to the City. Only "on call" emergency vehicles are exempt from Vehicle Code street laws. State legislative action in 1991-1992 reduced the amount (by approximately 50%) of Vehicle Code fine and forfeiture revenue forwarded to the City. On October 10, 1997, however, the Governor signed Assembly Bill 233 (AB 233), which became effective on July 1, 1998. AB 233 changed how the State and its counties and cities share in traffic citation fine revenues. This legislation essentially resulted in the doubling of the City's revenue collections in this area, reversing the impact of the 1991-1992 State legislative action.

The City receives fines and forfeitures of bail resulting from violation of State Health and Safety Codes and City Ordinances. These fees, authorized by the State Criminal Code and City Ordinances, are collected by the County and remitted to the City on a monthly basis. The City also receives revenue collected in connection with violations of the City's vehicle parking laws. These fines vary according to the nature of the violation. The City pays an agency to process and collect the fines. The only authorized exemption is for "on call" emergency vehicles.

REVENUE FROM USE OF MONEY AND PROPERTY

The City invests idle funds in order to earn interest. The total income varies with the market rates for interest and the funds available to invest. The City has established a formalized and conservative investment policy with objectives emphasizing safety and liquidity. This policy provides guidelines for the type, size, maturity, percentage of portfolio, and size of security issuer (among others) of each investment. In addition, the policy statement outlines several responsibilities of the City Council, City Manager, City Auditor, and Finance Director. These policy and monitoring units interact and produce investment performance reports and an annually updated investment policy. All reports and policies must be reviewed and approved by both the City Manager and City Council. Investment of funds is authorized by the City Charter, Section 8066. Revenue is also received from the rental of City-owned property.

REVENUE FROM LOCAL AGENCIES

This revenue category includes revenue received from a variety of other local government agencies. For example, the City receives payments from Santa Clara County/Central Fire District for fire services provided to District residents by the San José Fire Department, reimbursement from Santa Clara County for the first responder of advanced life support (Paramedics Program), and reimbursement from the Valley Transportation Authority (VTA) for police services at the Berryessa Bay Area Rapid Transit (BART) station.

REVENUE FROM THE STATE OF CALIFORNIA

The City receives revenue from the State of California in a number of different forms. While the State provides the City with funds through grants and contracts for services, by far the largest source of funds is the Tobacco Settlement payments.

On November 23, 1998, the attorneys general of most states and the major United States tobacco companies signed a Master Settlement Agreement (MSA) to settle more than 40 pending lawsuits brought by states against the tobacco industry. In exchange for the states dropping their lawsuits, and agreeing not to sue in the future, the tobacco companies agreed to pay, in perpetuity, various annual payments to the states to compensate them for some of the medical costs of caring for persons with smoking-related illnesses. Further, the companies have restricted their marketing activities and established new efforts to curb tobacco consumption. The City, along with the other states and local government entities, joined in the settlement. In the MSA, the Original Participating Manufacturers agreed to pay a minimum of $206 billion over the first twenty-five years of the agreement.

The City has also previously received Motor Vehicle In-Lieu (MVLF) Tax revenues, which are license fees collected by the California Department of Motor Vehicles (DMV). Until 1998-1999, the annual license fee was 2% of the market value of the vehicle as determined by the DMV.

In 1998-1999, the State reduced the license fees by 25%, but agreed to backfill local jurisdictions for the loss in revenue, which represented 67.5% of MVLF revenues received by the City at the time. In 2004-2005, as part of State budget actions, the MVLF rate was permanently reduced from 2% to 0.65% and all future receipts of the backfill were approved to be in the form of increased Property Tax receipts and are reflected in that category. Thus, the backfill amount due to the City has permanently become property tax revenue that now grows based on assessed valuations. The State withholds a portion of these fees for the support of the DMV. The remaining fees are divided equally between counties and cities, and their aggregate shares are distributed in proportion to the respective populations of the cities and counties of the State. The exemptions authorized by the State Constitution, Article 13, include vehicles owned by insurance companies and banks, publicly owned vehicles, and vehicles owned by certain veterans with disabilities. The tax is authorized by the State Revenue and Taxation Code. In late June 2011, the State Legislature approved SB 89, which shifted over $130 million in annual General Fund Motor Vehicle In-Lieu revenue from cities to support State law enforcement grants effective July 1, 2011. State legislative action in 1992-1993 eliminated local Trailer Coach In-Lieu Tax revenues. These funds were shifted to the State General Fund.

REVENUE FROM THE FEDERAL GOVERNMENT

Federal grants account for a significant portion of federal revenues. Grant programs must be specifically outlined and proposed for federal sponsorship. Due to the grant process, the volume of grants and level of revenue has been and will be sporadic.

OTHER REVENUE

This revenue category contains revenue received from a variety of miscellaneous sources. Significant sources of revenue include reimbursement related to Finance Department staff in the Investment Program, sale of surplus property receipts, one-time and/or varied levels of reimbursements, and miscellaneous revenues associated with the Office of the City Attorney.

TRANSFERS AND REIMBURSEMENTS

The Transfers and Reimbursements revenue category is used to account for funds received by the General Fund from other City funds through a combination of means, including operating and capital fund overhead charges, transfers, and reimbursements for services rendered.

Overhead charges are assessed to recover the estimated fair share of indirect General Fund support services costs (staff and materials) that benefit other City program and fund activities. Examples of support activities included in the charges are services provided by the following departments: Finance, Human Resources, Information Technology, Mayor and City Council, the Office of the City Attorney, and the Office of the City Manager. Each year the charges are calculated using Finance Department developed overhead rates applied to projected salary costs in most City funds. The most significant sources of overhead reimbursements are the Airport Maintenance and Operation Fund, Integrated Waste Management Fund, San José Clean Energy Fund, Sewer Service and Use Charge Fund, Storm Sewer Operating Fund, and San José/Santa Clara Treatment Plant Operating Fund.

Transfers consist of both one-time and ongoing revenue sources to the General Fund. Ongoing transfers include capital fund transfers for maintenance and operating expenses incurred by the General Fund. One-time transfers occur on a sporadic basis and have included the disposition of uncommitted fund balances in several special funds and the transfer of monies to fund a variety of City projects.

Reimbursements from other funds represent the cost to the General Fund for services provided on behalf of the other City funds. This category also includes the State Gas Tax funds that are used to reimburse the General Fund for eligible expenditures. The State Gas Tax is described in the following section.

STATE GAS TAX

A portion of the State Gas Tax is shared with cities and counties under separate sections of the Streets and Highways Code. The 1964 Gas Tax (Section 2106) provides for a $0.0104 charge on every gallon of gasoline. Revenue is then allocated according to the following formula:

County Allocation :	**a**	No. of Registered Vehicles in County
	÷ b	No. of Registered Vehicles in State
	x c	$0.0104
	x d	Gallons of Gas Sold
City Allocation:	**a**	Incorporated Assessed Value in County
	÷ b	Total Assessed Value in County
	x c	County Allocation
Individual City Allocation:	**a**	Population in City
	÷ b	Population of all Cities in County
	x c	City Allocation

The 1943 Gas Tax (Section 2107) authorized a per gallon charge of $0.00725. The State allocates part of these revenues for snow removal; the balance is distributed by calculating the portion of the State population represented by the city's population.

As a result of the passage of Proposition 111, gas and diesel taxes were increased $0.05 per gallon on August 1, 1990, and increased by $0.01 per gallon each January 1 until and including January 1, 1994. For the 1990 Gas Tax (Section 2105), cities are apportioned a sum equal to the net revenues derived from 11.5% of highway users taxes in excess of $0.09 per gallon in the proportion that the total city population bears to the total population of all cities in the State.

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CITY SERVICE AREAS

What is a City Service Area?

City Service Areas (CSAs) integrate services provided in individual departments into the City's five key lines of business – Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, and Transportation and Aviation Services. An additional CSA, referred to as "Strategic Support," represents the internal functions that enable the other five CSAs to provide services to the community. These cross-departmental CSAs provide a forum for strategic planning and investment decisions within the context of the Mayor and City Council policy priorities. Plans, policies, and investment decisions at the CSA level are then carried out through departmental core and operational services.

Each CSA is guided by a Mission Statement, which is informed by the City's Mission Statement. The City's Mission Statement can be found on the City Service Area – Core Service Map at the end of this section.

The following pages present an overview of the CSA framework and how it is used in San José's operating and capital budgets and in performance reporting to the City Council and the public.

CITY SERVICE AREAS

COMMUNITY AND ECONOMIC DEVELOPMENT

ENVIRONMENTAL AND UTILITY SERVICES

NEIGHBORHOOD SERVICES

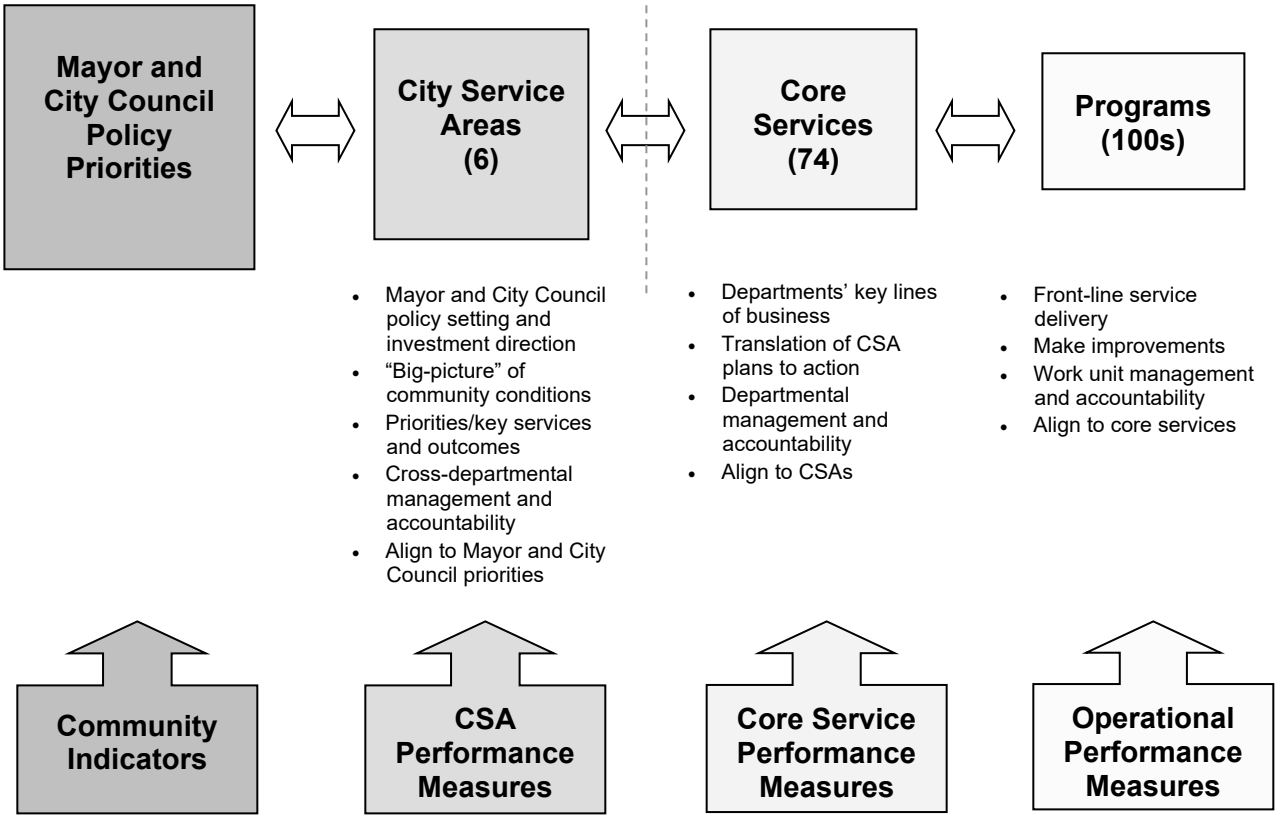
PUBLIC SAFETY

TRANSPORTATION AND AVIATION SERVICES

STRATEGIC SUPPORT

CITY SERVICE AREAS

City of San José's Service Delivery Framework for Performance-Driven Government



The City of San José's Service Delivery Framework for Performance-Driven Government aligns front line services (or programs) to the Mayor and City Council Policy Priorities. This structure acknowledges the complexity of the organization and the wide variety of services delivered and provides tools at all levels of the organization to plan, manage, and measure the results that customers experience.

The 2002-2003 Operating Budget was San José's first performance-based budget developed by City Service Area (CSA). CSAs enable the City to strategically plan and show results of the collaboration among departments. Each CSA aligns the efforts of a number of core services (each with its own set of performance measures) into the City's key lines of business. In 2017-2018, programs were identified and aligned to the Core Services.

Both the operating and capital budget documents are aligned to the CSA framework. A CSA-based capital project reporting system has been implemented along with consistent performance measures to ensure that the City meets its on-time and on-budget goals for project delivery.

CITY SERVICE AREAS

Strategic Goals and Planning

To achieve the missions (purpose) and outcomes (impact) under each CSA, strategic goals have been established for each area and are outlined in their respective CSA sections. These goals define the City's role in achieving its objectives, guiding budget decisions, and long-term resource planning. Each goal is linked to one or more performance measures that track progress and evaluate effectiveness.

The City's Administration developed missions, outcomes, strategic goals, and performance measures based on City Council-approved Focus Areas, critical CSA services and programs, Foundational Strategic Support Focus areas, and department-level strategic plans.

For example, the Community and Economic Development CSA seeks to foster strong communities and a diverse economy with shared prosperity for all. Its outcomes include 1) thriving, inclusive, and attractive communities and vibrant public spaces 2) strong, responsive, and equitable economy and 3) accessible and diverse range of housing and business opportunities. To achieve these outcomes, the City has set six strategic goals. One of these goals is to support inclusive policies and decisions that shape healthy, thriving, and attractive neighborhoods with access to community opportunities and resources. Progress is measured by resident satisfaction with the City's management of growth and development. The performance measures also include both short-term and long-term targets and are regularly reviewed to ensure alignment with community needs and financial conditions.

CSA Alignment for the Budget Document

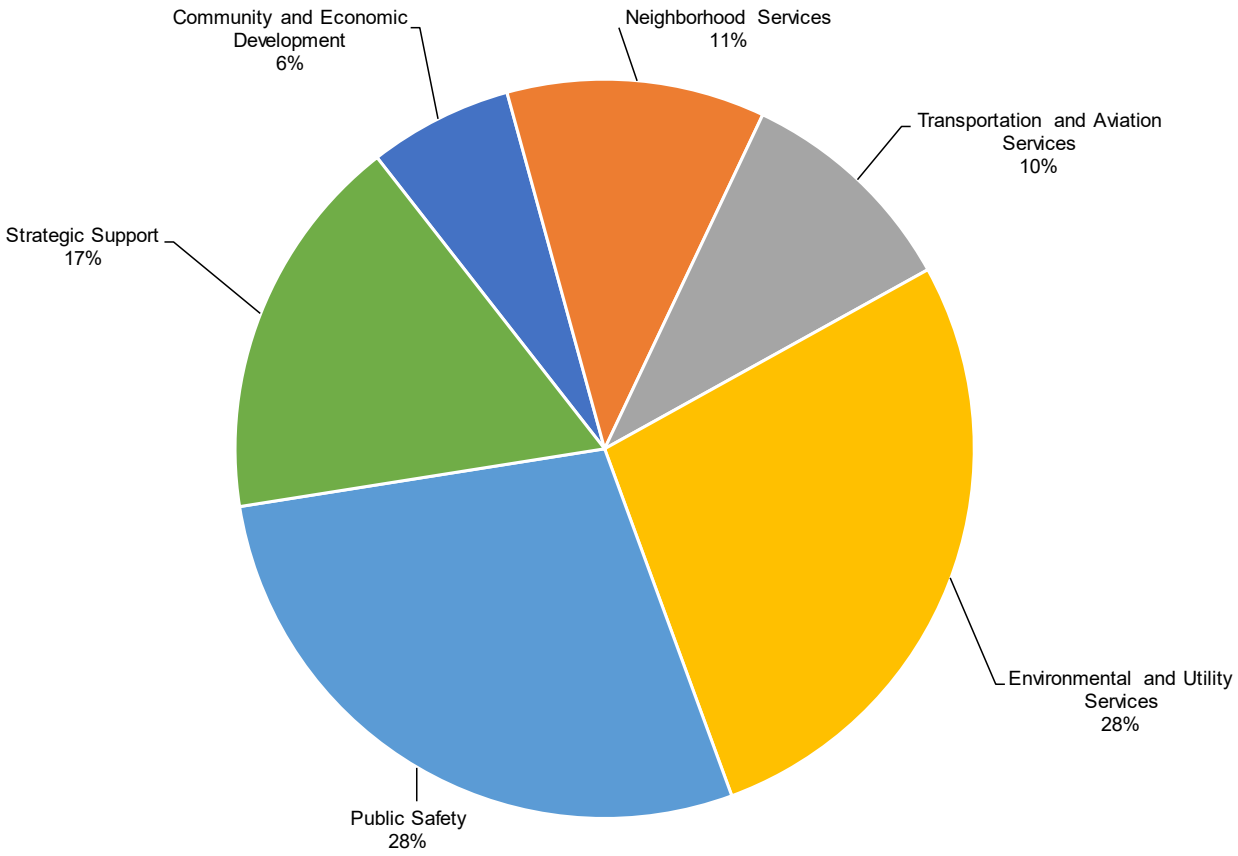
The operating budget document reflects San José's service delivery-based framework for performance-driven government. In that framework, each of the 73 departmental core services are aligned to one of six CSAs to which it contributes. A "map" detailing the alignment of the 73 core services to the six CSAs, including a description of the CSA mission and a listing of the CSA outcomes (the "ends" to which the plans, efforts, resources, and results of the CSA are directed) is provided at the end of this Introduction.

Each of the CSA overview sections that follow includes a description of the CSA's mission, partner departments, and a CSA outcome listing. The Service Delivery Framework displays the CSA's mission, outcomes, and the Core Services for each of the partner departments. A CSA Dashboard is also included to highlight key performance measures for the CSA.

CITY SERVICE AREAS

CITY SERVICE AREA BUDGET

City Service Area Budget Summary



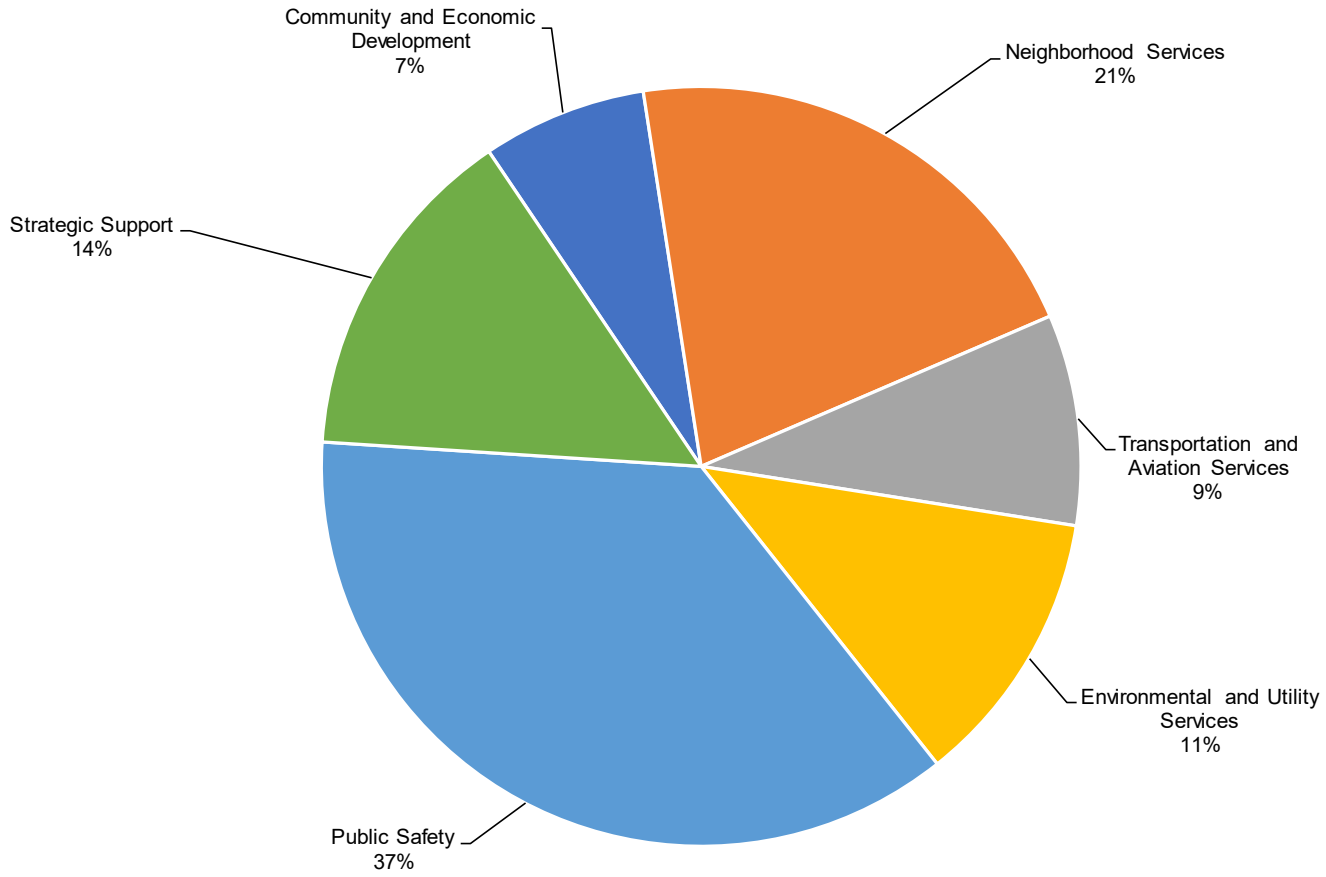
	2024-2025 Actuals 1	2025-2026 Adopted 2	2026-2027 Forecast 3	2026-2027 Proposed 4	% Change (2 to 4)
Dollars by CSA*					
Community and Economic Development	$ 199,457,030	$ 318,584,814	$ 213,388,421	$ 215,606,917	-32.32%
Neighborhood Services	427,251,657	410,179,371	389,021,046	386,570,410	-5.76%
Transportation and Aviation Services	412,254,057	336,706,665	335,902,236	339,166,444	0.73%
Environmental and Utility Services	958,726,155	1,036,229,992	931,419,820	939,970,527	-9.29%
Public Safety	912,926,093	937,513,004	963,571,122	961,508,629	2.56%
Strategic Support	536,661,013	603,493,895	565,354,158	579,986,022	-3.90%
Total	**$ 3,447,276,005**	**$ 3,642,707,741**	**$ 3,398,656,803**	**$ 3,422,808,949**	**-6.04%**

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

CITY SERVICE AREAS

CITY SERVICE AREA POSITION SUMMARY

City Service Area Budgeted Staffing Summary



	2024-2025 Actuals* 1	2025-2026 Adopted 2	2026-2027 Forecast 3	2026-2027 Adopted 4	% Change (2 to 4)
Staffing by CSA					
Community and Economic Development	483.14	481.77	482.46	484.90	0.65%
Neighborhood Services	1,469.83	1,477.50	1,449.36	1,452.02	-1.72%
Transportation and Aviation Services	605.51	615.51	615.01	621.51	0.97%
Environmental and Utility Services	811.99	812.99	812.49	818.49	0.68%
Public Safety	2,581.74	2,594.24	2,568.24	2,541.26	-2.04%
Strategic Support	1,041.71	1,026.56	1,015.86	1,006.11	-1.99%
Total	**6,993.92**	**7,008.57**	**6,943.42**	**6,924.29**	**-1.20%**

* The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.

INTRODUCTION

CITY SERVICE AREAS

COMMUNITY AND ECONOMIC DEVELOPMENT CSA

Mission: *Facilitate the equitable and focused evolution of the City to foster strong communities and a diverse economy with shared prosperity for all*

Outcomes:
- *Thriving, inclusive, and attractive communities and vibrant public spaces*
- *Strong, responsive, and equitable economy*
- *Accessible and diverse range of housing and business opportunities*

Core Services

ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS
- Cultural Affairs: Arts, Sports, and Entertainment
- Economic Growth and Business Development
- Workforce and Talent Development

FIRE
- Fire Safety Code Compliance

HOUSING
- Community Investments
- Housing Portfolio Management
- Housing Production and Preservation
- Rent Stabilization and Tenant Protections

PBCE
- Citywide Land Use Planning
- Development Plan Review and Building Construction Inspection

PUBLIC WORKS
- Regulate/Facilitate Private Development

ENVIRONMENTAL AND UTILITY SERVICES CSA

Mission: *Provide excellent, affordable, and sustainable utility services*

Outcomes:
- *Utility services that protect public health and the environment*
- *Affordable, effective utilities with excellent customer care*
- *Sustainable utility systems that meet future needs*
- *Protected, restored, and maintained environment*

Core Services

ENERGY
- Energy Community Programming
- Energy Customer Support
- Providing Clean Energy to the Community

ENVIRONMENTAL SERVICES
- Potable Water Delivery
- Recycled Water Management
- Recycling and Garbage Services
- Stormwater Management
- Sustainability and Environmental Health
- Utility Regulatory Advocacy and Compliance
- Wastewater Management

TRANSPORTATION
- Sanitary Sewer Maintenance
- Storm Sewer Maintenance

NEIGHBORHOOD SERVICES CSA

Mission: *To serve, foster, and strengthen the community by providing access to lifelong learning, supportive services, opportunities to enjoy life, and preserving and stewarding healthy neighborhoods with shelter and housing opportunities for all*

Outcomes:
- *Safe and clean neighborhoods and public spaces*
- *Welcoming and vibrant neighborhoods and public life*
- *Equitable access to community opportunities to flourish*
- *Housing security through supportive solutions*

Core Services

HOUSING
- Homelessness Response

LIBRARY
- Access to Information, Library Materials, and Digital Resources
- Literacy and Learning, Formal and Life-Long Self-Directed Education

PRNS
- Animal Care and Services
- Community Facilities Development
- Community Services
- Parks Maintenance and Operations
- Recreation Services

PBCE
- Code Enforcement

The Mission of the City of San José is to provide quality public services, facilities and opportunities that create, sustain, and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors.

INTRODUCTION

CITY SERVICE AREAS

PUBLIC SAFETY CSA

Mission: *Engage the community to partner on public safety and emergency prevention, mitigation, preparedness, response, and recovery*

Outcomes:
- *A safer San José with effective emergency response services*
- *Resilient communities that are prepared for emergencies*

Core Services

CITY MANAGER
- City-Wide Emergency Management

FIRE
- Fire Department Emergency Response
- Fire Prevention

INDEPENDENT POLICE AUDITOR
- Independent Police Oversight

POLICE
- Crime Prevention and Community Education
- Investigative Services
- Regulatory Services
- Respond to Calls for Service and Patrol Support

TRANSPORTATION AND AVIATION SERVICES CSA

Mission: *To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality*

Outcomes:
- *Effective and equitable transportation to promote a strong economy*
- *Users have a positive, reliable, and efficient experience*
- *Safe and secure transportation system to enhance community livability*

Core Services

AIRPORT
- Airport Facilities
- Airport Marketing and Communications
- Airport Operations

TRANSPORTATION
- Parking Services
- Pavement Maintenance
- Street Landscape Maintenance
- Traffic Maintenance
- Transportation Planning and Project Delivery
- Transportation Safety and Operations

STRATEGIC SUPPORT CSA

Mission: *Shape an empathetic, engaged, and high-performing workforce with reliable infrastructure, technologies, and finances to enable accessible City services*

Outcomes:
- *Excellent City service delivery that enhances internal and external customer experience and engagement*
- *Strategic investments in people, technology, and assets*
- *Inclusive, adaptive, and sustainable environment*

Core Services

FINANCE
- Debt and Treasury Management
- Disbursements
- Financial Reporting
- Purchasing and Risk Management
- Revenue Management

HUMAN RESOURCES
- Employee Benefits
- Employment Services
- Health and Safety
- Training and Development

INFORMATION TECHNOLOGY
- Business Solutions
- San José 311
- Technology Infrastructure and Operations

PUBLIC WORKS
- Facilities Management
- Fleet and Equipment Services
- Plan, Design, and Construct Public Facilities and Infrastructure

MAYOR, CITY COUNCIL AND APPOINTEES

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

MAYOR AND CITY COUNCIL
- Office of the Mayor
- City Council
- Council General

CITY ATTORNEY
- Legal Services

CITY AUDITOR
- Audit Services

CITY CLERK
- Legislative Services

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

RETIREMENT
- Retirement Plan Administration

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CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT







MISSION

Facilitate the equitable and focused evolution of the City to foster strong communities and a diverse economy with shared prosperity for all

Primary Partners

Economic Development and Cultural Affairs

Fire

Housing

Planning, Building and Code Enforcement

Public Works

CSA OUTCOMES

- ❒ Thriving, inclusive, and attractive communities and vibrant public spaces
- ❒ Strong, responsive, and equitable economy
- ❒ Accessible and diverse range of housing and business opportunities

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

SERVICE DELIVERY FRAMEWORK

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

MISSION STATEMENT
Why the CSA exists

Community & Economic Development CSA

Mission:

Facilitate the equitable and focused evolution of the City to foster strong communities and a diverse economy with shared prosperity for all.

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

Outcomes:

- Thriving, inclusive, and attractive communities and vibrant public spaces
- Strong, responsive, and equitable economy
- Accessible and diverse range of housing and business opportunities

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

CORE SERVICES
Primary deliverables of the organization

City Manager - Office of Economic Development and Cultural Affairs

Core Services:

- Cultural Affairs: Arts, Sports, and Entertainment
- Economic Growth and Business Development
- Workforce and Talent Development

Fire Department

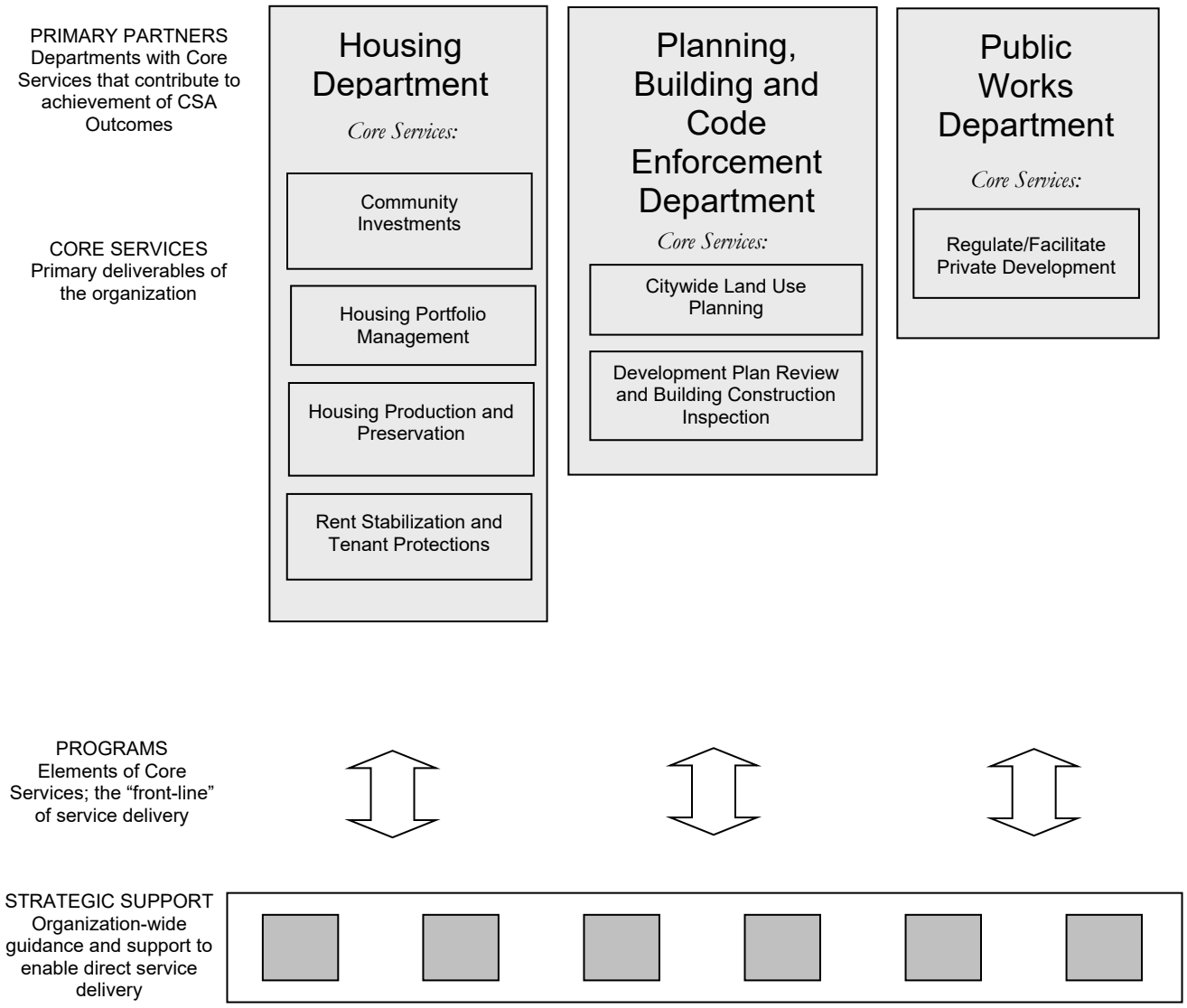
Core Services:

- Fire Safety Code Compliance

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

SERVICE DELIVERY FRAMEWORK



CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

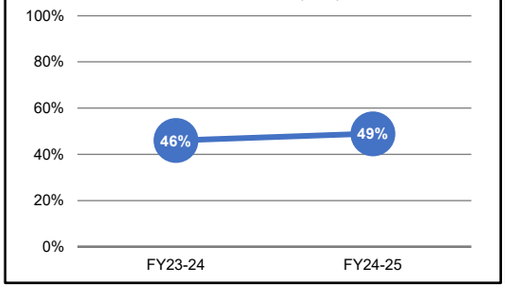
COMMUNITY INDICATORS DASHBOARD

OUTCOME 1: THRIVING, INCLUSIVE, AND ATTRACTIVE COMMUNITIES AND VIBRANT PUBLIC SPACES

Downtown Vibrancy Rating

% of residents rating downtown as a vibrant place (OEDCA)

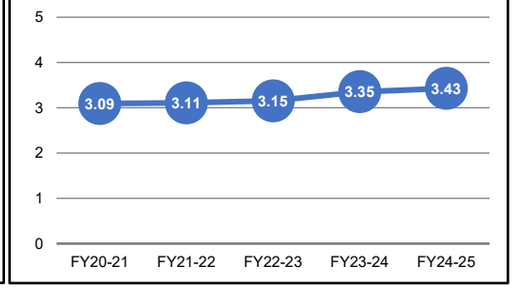
Source: Focus Area Community Survey



Income Diversity Ratio

Ratio of income for 60th percentile earners to 20th percentile earners (OEDCA)

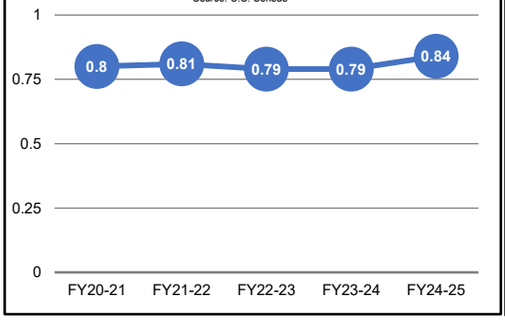
Source: U.S. Census



OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

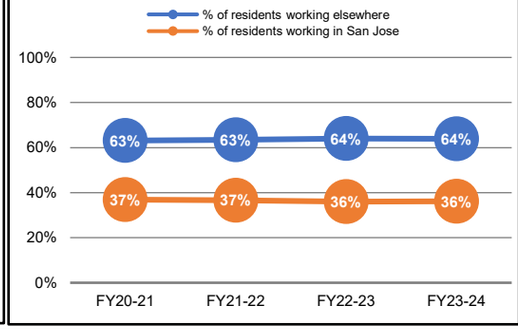
Estimated Ratio of San José Jobs to Employed Residents *(OEDCA)*

Source: U.S. Census



Jobs Held by San Jose Residents[1]

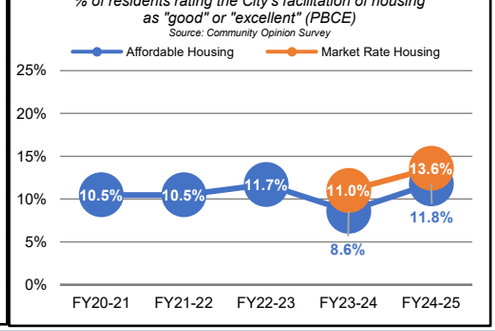
Source: U.S. Census Longitudinal Employer, Household Dynamics (OEDCA)



Housing Facilitation Effectiveness

% of residents rating the City's facilitation of housing as "good" or "excellent" (PBCE)

Source: Community Opinion Survey

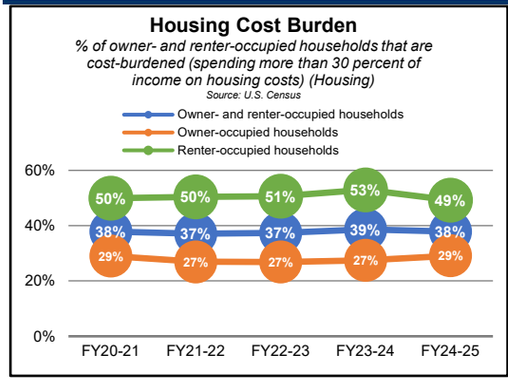


OUTCOME 3: ACCESSIBLE AND DIVERSE RANGE OF HOUSING AND BUSINESS OPPORTUNITIES

Housing Cost Burden

% of owner- and renter-occupied households that are cost-burdened (spending more than 30 percent of income on housing costs) (Housing)

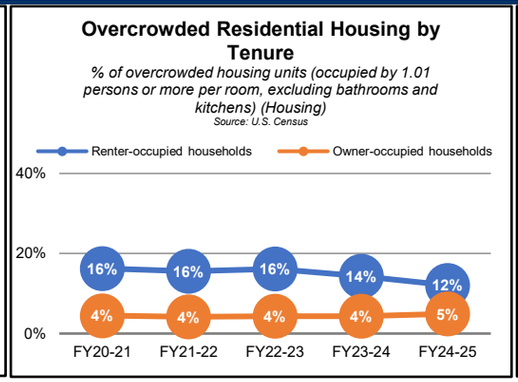
Source: U.S. Census



Overcrowded Residential Housing by Tenure

% of overcrowded housing units (occupied by 1.01 persons or more per room, excluding bathrooms and kitchens) (Housing)

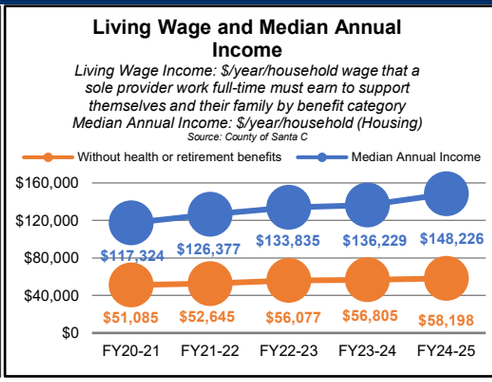
Source: U.S. Census



Living Wage and Median Annual Income

Living Wage Income: $/year/household wage that a sole provider work full-time must earn to support themselves and their family by benefit category
Median Annual Income: $/year/household (Housing)

Source: County of Santa C

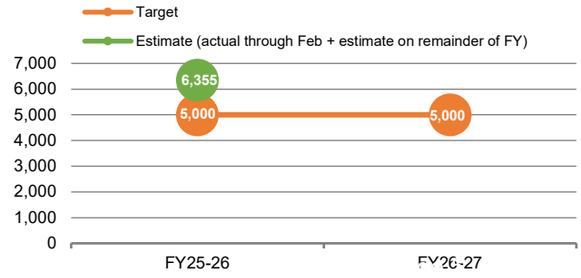


[1] Data updated for previous years to represent current available data following consistent methodolgy. Data source is U.S. Census: https://onthemap.ces.census.gov. Latest data available is 2023-2024.

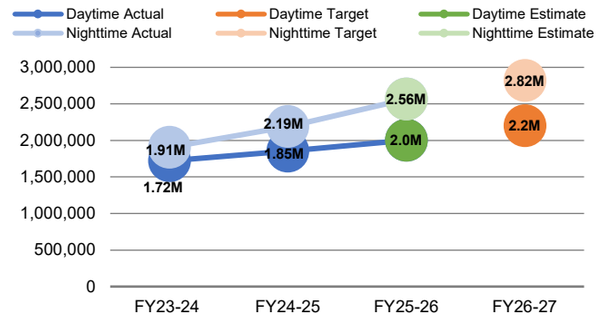
PERFORMANCE MEASURE DASHBOARD

Retain, Expand, or Attract Jobs[1, 2]

of retained, expanded, or attracted jobs[3] from businesses receiving Business Development assistance toward the 10,000-job growth goal for FY25-26 and FY26-27 (OEDCA)

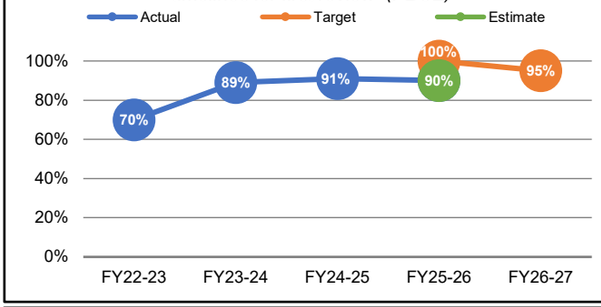


Average Monthly Downtown Foot Traffic[3,4] (OEDCA)



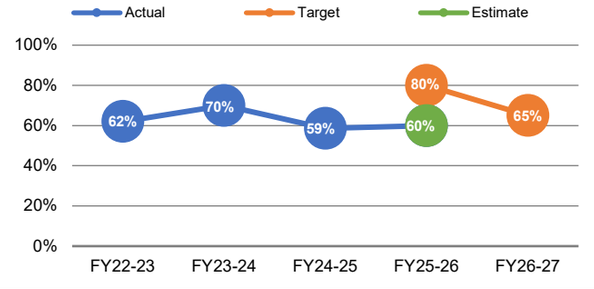
Development Project On-Time Reviews for Planning Permit Process

% of development projects completed within published timelines for first review[5] (PBCE)



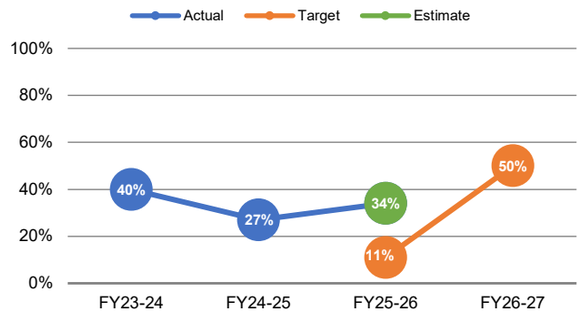
Development Project On-Time Reviews for Construction Process

% of development projects completed within published timelines for first review (PBCE)



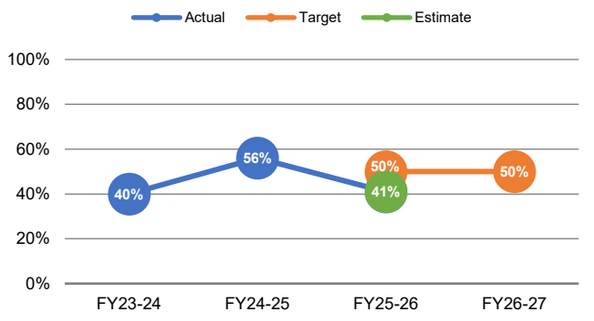
Housing Production Rates[3]

% of San José housing production compared to yearly target for regional fair share number (RHNA)[6] target[7] for total cycle units[8] (PBCE)



Rent Stabilization Rates

% of rent stabilized units under the Apartment Rent Ordinance that did not have a rent increase in the past year (Housing)



[1] The cumulative target of 10,000 retained, expanded, or attracted jobs is to be achieved over 2025-2026 and 2026-2027, with an annual target of 5,000 jobs. Annual performance is measured against the 5,000-job target. The 2025-2026 Target has been revised from the 2025-2026 Adopted Budget to align with this updated methodology, which evenly distributes the total target across both years.

[2] Jobs are for medium and large companies with more than 35 employees.

[3] The City staff are facilitators of these metrics that rely on private market investment. Without private market investment, large performance improvements may not be possible.

[4] Target based on 10% YoY increase goal. Daytime is defined as 6 am to 5 pm. Nighttime is defined as 5 pm to 6 am. The 2025-2026 Target was removed due to a change to a new data source (all data shown reflects the new source).

[5] The City is mandated to determine the completeness of a development project application within 30 calendar days of its submission and notify the applicant in writing under the State's Permit Streamlining Act.

[6] Regional Housing Needs Allocation or RHNA is the part of the Housing Element process used to determine how many housing units each local government must plan for in its Housing Element. The current RHNA target for San José is 62,200 new housing units produced for the period from 2023 to 2031, which includes 34,486 overall for affordable housing units and 27,714 overall for market-rate housing units.

[7] Data is provided for the calendar year, instead of fiscal year, to align with Housing Element reporting requirements. For reference, data provided for 2025-2026 covers the timeframe of January through December 2025, and targets provided for 2026-2027 cover the timeframe of January through December 2026. The target represents reaching the annual goal of producing 12.5% of the total 62,200 new housing units for the eight-year period from 2023 to 2031.

[8] The City uses building permit issued as the standard for unit production.

BUDGET OVERVIEW

CSA Priorities/Expected 2026-2027 Service Delivery

- Implement the second year of the 2025-2027 OEDCA Economic Strategy Workplan approved by the City Council to retain/grow jobs and revenue; support small businesses and create thriving business districts; accelerate a thriving downtown; and activate San José as the South Bay's hub for sports, arts, and entertainment; and prepare residents to successfully participate in the local economy.
- Identify experience economy financing tools to expand the City's capacity to attract visitors, talent, and investment.
- Develop and implement a 2027 Celebrations Strategy to prepare the city for upcoming major milestones and events.
- Explore and implement alternative financing strategies for the development of affordable housing.
- Develop an ordinance for a ministerial planning permit approval process for Downtown residential and eligible citywide multifamily housing, guaranteeing approval within 90 days of application completeness to streamline and improve predictability in the development process.
- Evaluate opportunities for reducing local building codes and administrative policies related to residential construction to make the permitting process more predictable and aligned with state standards.
- Develop a development fee framework to support increase housing production at all income levels.
- Advance electric grid updates and capacity enhancements.

2026-2027 Key Budget Actions

- As directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, provides funding for the following:
  - Continues 1.0 Executive Analyst and 2.0 Senior Executive Analyst positions, through June 30, 2027, for business outreach and development;
  - Provides one-time funding of $350,000 to support major events staffing and programming;
  - Provides one-time funding of $50,000 for consultant services to create a focused strategy for East Side investment;
  - One-time funding of $250,000 for stitching districts;
  - One-time funding of $250,000 to the Sports Authority allocation for costs associated with hosting major sporting events in San José in 2026-2027;
  - One-time funding of $100,000 for an Enhanced Infrastructure Financing District Assessment; and,
  - One-time funding of $50,000 to the Storefront Activation Grant Program to partially address unmet demand.
- Eliminates 1.0 Staff Specialist position and decreases San José Works – Youth Jobs Initiative funding by $200,286.
- Eliminates 1.0 Staff Specialist position within the Administrative Services Team in OEDCA.
- Continues and makes permanent 1.0 Senior Development Officer and 2.0 Development Officer positions (0.85 FTE in the Community and Economic Development CSA) to support interim housing operations and programming in the Homelessness Response Division.
- Adds one-time non-personal/equipment funding of $140,000 within the Fire Development Fee Program Fund to replace two vehicles that have reached the end of serviceable life and are currently out of service. Funding will allow efficient continuity of onsite construction inspections for new development and tenant improvement projects.
- Adds one-time funding of $500,000 in the Citywide Planning Fee Program Fund to complete a state-mandated Tri-Element General Plan update and one-time funding of $250,000 in the General Fund to clean up the Historic Resources Inventory to clarify historic status and streamline the development review and environmental review processes for historical resources.

CITY SERVICE AREA

COMMUNITY AND ECONOMIC DEVELOPMENT

BUDGET OVERVIEW

*City Service Area Budget Summary***

Dollars by Core Service *	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
City Manager - Office of Economic Development and Cultural Affairs				
Arts and Cultural Development	27,443,376	0	0	0
Business Development and Economic Strategy	15,195,217	0	0	0
Cultural Affairs: Arts, Sports, and Entertainment	1,140,502	41,717,899	34,331,948	34,931,948
Economic Growth and Business Development	148,653	11,366,968	10,379,503	11,015,349
Real Estate Services	2,754,872	0	0	0
Regional Workforce Development	9,914,767	0	0	0
Workforce and Talent Development	0	9,035,233	8,479,537	8,279,251
Strategic Support - Community & Economic Development	2,259,408	5,329,272	5,085,363	4,939,429
Strategic Support - Other - Community & Economic Development	2,951,746	5,289,665	603,975	953,975
Fire Department				
Fire Safety Code Compliance	8,448,944	8,453,273	8,373,990	8,570,028
Strategic Support - Community & Economic Development	775,072	0	0	0
Strategic Support - Other - Community & Economic Development	19,372	0	0	0
Housing Department				
Community Investments	9,977,393	11,377,899	10,402,444	10,402,444
Housing Portfolio Management	2,403,722	4,468,429	4,488,034	4,488,034
Housing Production and Preservation	27,565,504	124,155,750	34,550,356	34,647,631
Rent Stabilization and Tenant Protections	3,981,037	3,767,674	3,697,172	3,266,288
Strategic Support - Community & Economic Development	(3,928,737)	5,880,713	6,363,284	6,027,746
Strategic Support - Other - Community & Economic Development	14,632,554	3,824,438	3,340,083	3,192,606
Planning, Building and Code Enforcement Department				
Citywide Land Use Planning	7,419,797	8,081,613	6,705,857	7,583,806
Development Plan Review and Building Construction Inspection	43,561,119	44,633,964	44,609,856	44,818,460
Strategic Support - Community & Economic Development	4,013,740	3,265,278	3,405,903	3,252,542
Strategic Support - Other - Community & Economic Development	911,993	7,028,236	7,230,079	7,224,928
Public Works Department				
Regulate/Facilitate Private Development	17,262,989	20,082,110	20,701,935	21,373,350
Strategic Support - Other - Community & Economic Development	603,990	826,400	639,102	639,102
Total CSA	**$199,457,030**	**$318,584,814**	**$213,388,421**	**$215,606,917**
Authorized Positions	**483.14**	**481.77**	**482.46**	**484.90**

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

** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

BUDGET OVERVIEW

Development Services Budget Summary

Category	Fund	Revenue	Cost	% Cost Recovery*	Positions	Ending Fund Balance/ Works-in-Progress Funding**
2025-2026 Modified						
	Building	39,631,127	47,092,667	84.2%	162.09	23,232,255
	Fire	10,513,000	10,381,904	101.3%	31.73	1,126,953
	Planning	8,462,827	9,035,811	93.7%	35.26	3,370,455
	Public Works	19,701,000	20,646,684	95.4%	76.47	6,684,985
	Total	**$78,307,954**	**$87,157,066**	**89.8%**	**305.55**	**$34,414,648**
2026-2027 Proposed						
	Building	39,187,258	47,387,526	82.7%	163.99	27,214,626
	Fire	10,828,390	10,571,430	102.4%	31.92	2,634,126
	Planning	8,716,712	9,032,980	96.5%	35.76	4,620,215
	Public Works	20,292,000	21,373,560	94.9%	79.72	9,969,466
	Total	**$79,024,360**	**$88,638,522**	**89.2%**	**311.39**	**$44,165,407**

* In 2025-2026 and in 2026-2027, all programs reach 100% cost recovery once the use of Ending Fund Balance/Works-in-Progress funding are incorporated.

**The Ending Fund Balance/Works-in-Progress Funding for 2026-2027 is the estimated level and will be trued up once 2025-2026 revenues and expenditures are reconciled and 2025-2026 balancing actions are included.

Development Services is an $88.6 million business for the City of San José, providing integrated technical plan review and inspection services across Planning, Building, Public Works, and Fire (Development Services). Businesses, homeowners, and other customers use Development Services when remodeling, building new structures, or making other investments to their properties. These investments bring tax revenue, jobs, and other direct benefits to the City. Development Services are provided in an efficient, thorough, and quality-driven manner. While each partner's budget is discussed within their Department section, all partners are committed to working closely together to provide "one voice" to Development Services customers.

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: THRIVING, INCLUSIVE, AND ATTRACTIVE COMMUNITIES AND VIBRANT PUBLIC SPACES

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.1 Support inclusive policy and decisions to shape healthy, thriving, and attractive neighborhoods with access to community opportunities and resources	*PM 1.1.1*	**City Growth and Development Management.** % of residents rating the City's management of growth and development as "good" or "excellent." (PBCE)	28%	45%	N/A[1]	45%	45%
SG 1.2 Support diverse private and public art, cultural assets, and public entertainment offerings	*PM 1.2.1*	**Quality and Diversity of Arts and Cultural Activities.** % of residents surveyed rating the availability and variety of arts and cultural offerings as "good" or "excellent." (OEDCA)	51%	40%	N/A[1]	60%	60%
	PM 1.2.2	**Outdoor Special Events Availability and Variety.** % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as "good" or "excellent." (OEDCA)	39%	50%	N/A[1]	50%	50%
	PM 1.2.3	**Downtown Attractiveness and Viability.** % of residents rating the City's efforts to make downtown attractive and viable as "good" or "excellent." (OEDCA)	34%	50%	N/A[1]	50%	50%
	PM 1.2.4	**San José as a Shopping and Dining Destination.** % of residents rating San José as a place to shop and dine as "good" or "excellent." (OEDCA)	58%	75%	N/A[1]	75%	75%
	PM 1.2.5	**Average Daytime and Nighttime Downtown Foot Traffic.** Average Downtown Foot Traffic per Month: (OEDCA)					
		- Daytime	1,852,919	N/A[2]	2,002,132	2,202,345[3]	2,466,235[4]
		- Nighttime	2,190,742	N/A[2]	2,564,864	2,821,350[3]	2,915,877[4]

[1] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

[2] The 2025-2026 Target was removed due to a change to a new data source. The 2024-2025 Actuals, 2025-2026 Estimate, 2026-2027 Target, and 5-year Goal are based on new data source and methodology.

[3] Target based on goal of 10% year-over-year increase. Daytime is defined as 6 am to 5 pm. Nighttime is defined as 5 pm to 6 am.

[4] The 5-Year Goal is based on a 10% year-over-year increase with a base year of 2024-2025.

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.1: Cultivate and support a diverse business ecosystem and workforce.	*PM 2.1.1*	**Workforce Innovation and Opportunity Act Clients.** % of work2future adult and youth clients served who are low income or have a significant barrier to employment. (OEDCA)	83%	85%	85%	85%	85%
	PM 2.1.2	**Business Development Assistance Tax Changes.** Estimated % change in sales and business tax revenue from businesses receiving Business Development assistance: (OEDCA)					
		- Taxes from attracted or expanded companies[1]	(65%)	150%	(6%)	107%	10%
		- Taxes from retained companies[1]	142%	30%	63%	30%	10%
	PM 2.1.3	**Specialized Building Project Reviews.** % of total Building projects that utilize specialized application and permit review programs: (PBCE)					
		- Streamlined Restaurant Program (SRP)	N/A[2]	75%	N/A[2]	N/A[2]	N/A[2]
		- Streamlined Tenant Alteration Review (STAR)	45%	75%	75%	80%	90%
		- Mall Thursday	N/A[2]	75%	N/A[2]	N/A[2]	N/A[2]
	PM 2.1.4	**Attracting Businesses and Good Paying Jobs.** % of residents rating the City's efforts at attracting businesses and good paying jobs as "good' or "excellent." (OEDCA)	33%	50%	N/A[3]	50%	50%

[1] The measures represent the year-over-year change. Numbers can be positive if tax revenue was or is expected to be higher than the prior year, and conversely, negative if revenue was or is expected to be lower than the prior year.
[2] Source for data still needs to be developed.
[3] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.2: Ensure the safety and welfare of the built environment through reliable and solutions-oriented regulatory compliance and inspections.	*PM 2.2.1*	**Consistent Staff Feedback.** % of projects that receive consistent staff feedback throughout project review: (PBCE/PW/Fire)					
		- Entitlement Process:					
		○ Planning Review	83%	80%	58%	80%	80%
		○ Public Works Review	68%	75%	37%	75%	80%
		○ Fire Review	78%	84%	60%	85%	90%
		- Construction Process:					
		○ Building Plan Check	72%	90%	63%	90%	90%
		○ Building Inspectors Consistent with Building Plan Check	75%	90%	63%	90%	90%
		○ Building Inspectors Consistent among Multiple Inspectors	69%	90%	55%	90%	90%
		○ Fire Plan Check	80%	85%	73%	85%	85%
		○ Public Works Improvement Permit	67%	75%	63%	75%	80%
	PM 2.2.2	**Development Project On-Time Reviews.** % of development projects completed within published timelines for first review: (PBCE/PW/Fire)					
		- Planning Permit Process:					
		○ Planning Review (30 calendar days)[1]	91%	100%	90%	95%	100%
		○ Building Review (19 business days)	69%	90%	70%	90%	100%
		○ Public Works Review (15-20 business days)	93%	85%	85%	85%	85%
		○ Fire Review (19 business days)	N/A[2]	N/A[2]	N/A[2]	N/A[2]	N/A[2]
		- Construction Process:					
		○ Planning Review of Building Permits (10-40 days)	81%	75%	70%	75%	80%
		○ Building Plan Check (10-40 days)	59%	80%	60%	65%	85%
		○ Building Inspection Scheduling within 24 hours	89%	90%	85%	90%	90%
		○ Building Inspection Scheduling within 48 hours	91%	95%	87%	95%	95%
		○ Fire Plan Check (10-40 days)	N/A[3]	N/A[3]	N/A[3]	92%[3]	92%[3]
		○ Public Works Plan Review (5-30 business days)	94%	85%	85%	85%	85%

[1] The City is mandated to determine the completeness of a development project application within 30 calendar days of its submission and notify the applicant in writing under the State's Permit Streamlining Act.
[2] This is a new performance measure. Data was not previously tracked and/or reported as part of the 2025-2026 Adopted Budget. This measure is anticipated to be re-evaluated for relevance and could be recommended for deletion in 2027-2028.
[3] This is a new performance measure. Data was not previously tracked and/or reported as part the 2025-2026 Adopted Budget. Data collection has started, and reporting will begin in 2026-2027.

OUTCOME 2: STRONG, RESPONSIVE, AND EQUITABLE ECONOMY

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
	PM 2.2.3	**Development Services Customer Service Satisfaction.** % of customers surveyed who: (PBCE) - Discretionary Projects[1]: o Rated service as "good" or "better"	61%	80%	52%	80%	80%
		o "strongly agree" or "somewhat agree" the City improved service in the past 12 months	56%	75%	45%	75%	75%
		- Ministerial Projects[2]: o Rated service as "good" or "better"	63%	80%	51%	80%	80%
		o "strongly agree" or "somewhat agree" the City improved customer service in the past 12 months	61%	80%	47%	80%	80%
	PM 2.2.4	**Resident Perception of Building and Safety Code Compliance.** % of residents rating the City's efforts of ensuring new construction follows codes as "good" or "excellent" (PBCE)	36%	45%	N/A[3]	45%	45%

[1] Discretionary projects are those that require a public hearing (e.g., zoning change, General Plan amendment).
[2] Ministerial projects are administrative in nature and do not require a public hearing (e.g., water heater replacements).
[3] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

BUDGET OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: ACCESSIBLE AND DIVERSE RANGE OF HOUSING AND BUSINESS OPPORTUNITIES

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 3.1 Steward the production and preservation of a mix of housing types, tenure, and affordability	*PM 3.1.1*	**Extremely Low-Income Household Funding Rates.** % of Housing Department funds committed to extremely low-income households (Housing)	50%	43%	40%	43%	45%
	PM 3.1.2	**Housing Production Rates.** % of San José housing production compared to yearly target for regional fair share number (RHNA)[1] target[2] for total cycle units[3]: (PBCE)					
		- Planning Permit Issued	45%[2]	100%	65%	73%	63%
		- Building Permit Issued	27%[2]	100%	34%	50%	63%
		- Certificate of Occupancy Issued	20%[2]	100%	28%	20%	63%
	PM 3.1.3	**Affordable Housing Units Receiving Subsidies.** Average $ of City subsidy per affordable housing unit (Housing)	$150,000	$200,000	$141,078	$225,000	$225,000
SG 3.2: Strengthen and stabilize our community through neighborhood investment and displacement prevention.	*PM 3.2.1*	**Businesses in Neighborhood Business Districts.** Ratio of sales tax to number of small businesses (with a sales tax license): (OEDCA)	N/A[4]	N/A[4]	N/A[4]	N/A[4]	N/A[4]
		- With City investment					
		- City Wide					
	PM 3.2.2	**Rent Stabilization Rates.** % of rent stabilized units under the Apartment Rent Ordinance that did not have a rent increase in the past year (Housing)	56%	50%	41%	50%	50%
	PM 3.2.3	**Retain, Expand, or Attract Jobs.** % of retained, expanded, or attracted jobs[5] from businesses receiving Business Development assistance toward the 10,000-job growth goal for FY25-26 and FY26-27[7] (OEDCA)	N/A[6]	71%[8]	127%	100%	100%[9]

[1] Regional Housing Needs Allocation or RHNA is the part of the Housing Element process used to determine how many housing units each local government must plan for in its Housing Element. The current RHNA target for San José is 62,200 new housing units produced for the period from 2023 to 2031, which includes 34,486 overall for affordable housing units and 27,714 overall for market-rate housing units.

[2] Data is provided for the calendar year, instead of fiscal year, to align with Housing Element reporting requirements. For reference, data provided for 2025-2026 covers the timeframe of January through December 2025, and targets provided for 2026-2027 cover the timeframe of January through December 2026. The 2026-2027 Target represents the anticipated percentage reached of the annual goal, which is to produce 12.5% of the total 62,200 new housing units for the eight-year period from 2023 to 2031. The 2025-2026 Target, the full annual goal of 12.5% of the total new units; however, this level is not feasible given market conditions.

[3] The City uses building permit issued as the standard for unit production.

[4] This is a new performance measure for 2024-2025 and further analysis is needed to establish targets.

[5] Jobs are for medium and large companies with more than 35 employees.

[6] New performance measure for 2025-2026.

[7] The goal of 10,000 retained, expanded, or attracted jobs is a 2-year goal based on the approval of the Economic Development and Cultural Affairs strategic plan. The goal is to achieve 10,000 retained, expanded, or attracted jobs at the end of the two-year period.

[8] Methodology when the 2025-2026 Forecast was developed compared annual jobs to total goal of 10,000 jobs. The methodology has subsequently been changed to compare annual jobs to a goal of 5,000 jobs for each year of the two-year period.

[9] City staff are facilitators of these metrics which are reliant on private market investment. Without private market investment, large performance improvements may not be possible.

BUDGET OVERVIEW

CED CSA-Level Data Sources	
Identifier	**Data Source**
PM 1.1.1	City of San José Community Opinion Survey Summary Report
PM 1.2.1	City of San José Community Opinion Survey Summary Report
PM 1.2.2	City of San José Community Opinion Survey Summary Report
PM 1.2.3	City of San José Community Opinion Survey Summary Report
PM 1.2.4	City of San José Community Opinion Survey Summary Report
PM 1.2.5	Placer.ai foot traffic data compiled by staff
PM 2.1.1	work2future internal tracking report (Based on intake, client interviews, case management)
PM 2.1.2	Business Development Team Tracking, Sales Tax Data, and City Business License Data
PM 2.1.3	AMANDA Yellowfin report
PM 2.1.4	City of San José Community Opinion Survey Summary Report
PM 2.2.1	Development Services Partners Customer Survey
PM 2.2.2	AMANDA Analytics report
PM 2.2.3	Development Services Partners Customer Survey
PM 2.2.4	City of San José Community Opinion Survey Summary Report
PM 3.1.1	Project pipeline, Project description, Salesforce data
PM 3.1.2	Housing Element Annual Performance Report
PM 3.1.3	Project Tracker, City Council Memos
PM 3.2.1	Business Development Team Tracking
PM 3.2.2	Rent Registry, Salesforce Data Project Tracker, Affordability Restrictions
PM 3.2.3	Business Development Team Tracking

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
CITY MANAGER - OFFICE OF ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS			
• Business Outreach and Development Staffing (Continuation)	3.00	535,846	535,846
• Major Events Staffing and Programming		350,000	350,000
• East Side Revitalization Plan		50,000	50,000
• San José Works - Youth Jobs Initiative	(1.00)	0	0
• Administrative Staffing	(1.00)	(145,934)	(146,825)
Subtotal	1.00	789,912	789,021
FIRE			
• Fire Development Fee Program Vehicle Replacement		140,000	0
• Development and Non-Development Fee Program Staffing	0.11	43,152	0
• Fire Administration Staffing	0.08	12,886	0
Subtotal	0.19	196,038	0
HOUSING			
• Communications Staffing	(1.00)	(210,546)	(52,637)
• Homelessness Response and Housing Production Staffing Alignment	(0.85)	(204,370)	0
• Recruitment Staffing	(0.75)	(154,236)	0
• PATH-CITED Grant Funded Staffing	(0.50)	(141,124)	0
Subtotal	(3.10)	(710,276)	(52,637)

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
PLANNING, BUILDING AND CODE ENFORCEMENT			
• Tri-Element General Plan Update Consultant Services		500,000	0
• Historic Buildings Inventory		250,000	250,000
• Building Development Fee Program Staffing	1.00	142,975	0
• Database Appliance Hardware Refresh		121,114	23,842
• Planning Development Fee Program Staffing	0.50	73,377	0
• Vehicle Operations and Maintenance (Fleet Staffing)		15,000	0
• Environmental Review Process Improvements Staffing (Continuation)	0.00	0	149,484
• Recruitment Staffing	(0.90)	(153,361)	(37,490)
• Permit Center Administration Staffing	0.00	(15,913)	(21,535)
Subtotal	0.60	933,192	364,301
PUBLIC WORKS			
• Public Works Department Staffing Plan - Capital Improvement Program	3.75	671,415	0
Subtotal	3.75	671,415	0
Subtotal Departments	**2.44**	**1,880,281**	**1,100,685**
CITY-WIDE EXPENSES			
• Enhanced Infrastructure Financing District Assessment		100,000	100,000
• San Jose Works - Youth Jobs Initiative		(200,286)	(200,286)
• Sports Authority		250,000	250,000
• Stitching Districts Initiative		250,000	250,000
• Storefront Activation Grant Program		50,000	50,000
Subtotal Other Changes	**0.00**	**449,714**	**449,714**
Total Proposed Budget Changes	**2.44**	**2,329,995**	**1,550,399**

ENVIRONMENTAL AND UTILITY SERVICES







MISSION

Provide excellent, affordable, and sustainable utility services

Primary Partners

Energy

Environmental Services

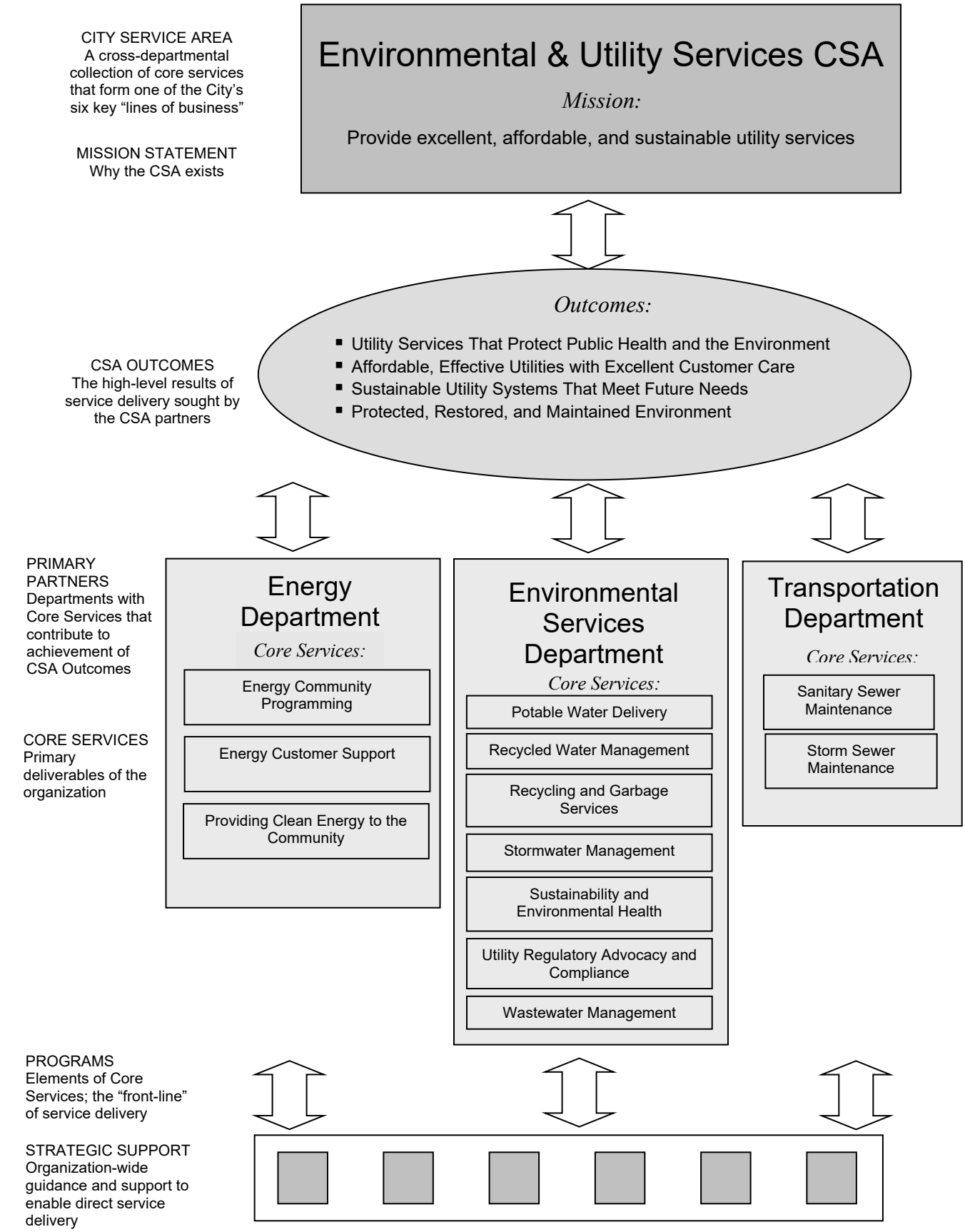
Transportation

CSA OUTCOMES

- ❒ Utility Services That Protect Public Health and the Environment
- ❒ Affordable, Effective Utilities with Excellent Customer Care
- ❒ Sustainable Utility Systems That Meet Future Needs
- ❒ Protected, Restored, and Maintained Environment

ENVIRONMENTAL AND UTILITY SERVICES

SERVICE DELIVERY FRAMEWORK

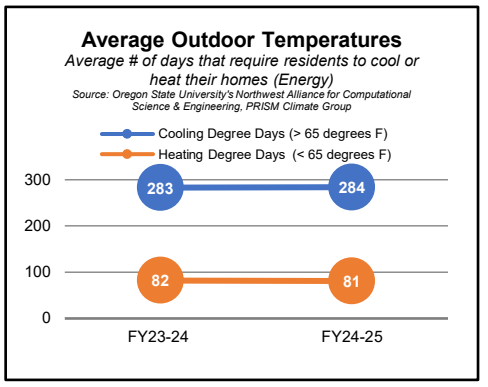


CITY SERVICE AREA

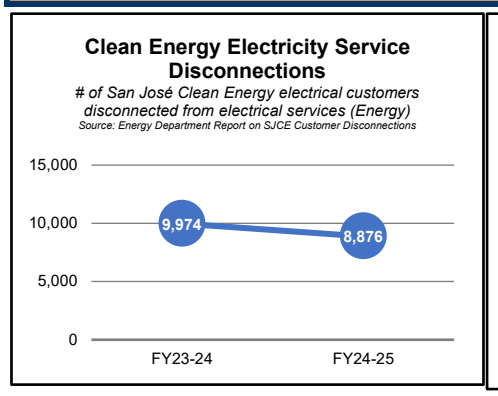
ENVIRONMENTAL AND UTILITY SERVICES

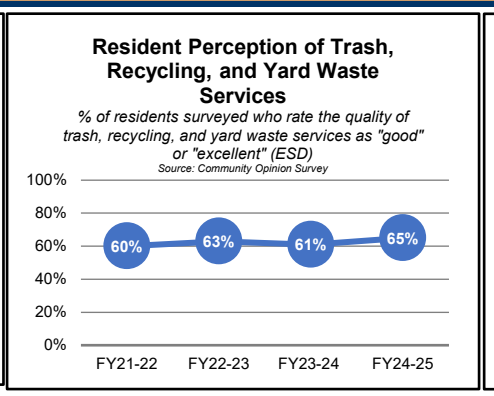
COMMUNITY INDICATORS DASHBOARD

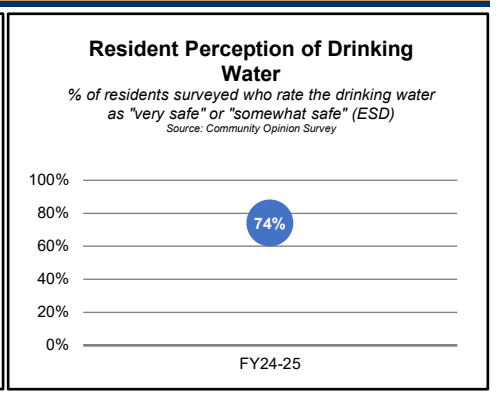
OUTCOME: DEPENDABLE AND RESILIENT UTILITY SERVICES THAT PROTECT OUR PUBLIC HEALTH AND THE ENVIRONMENT



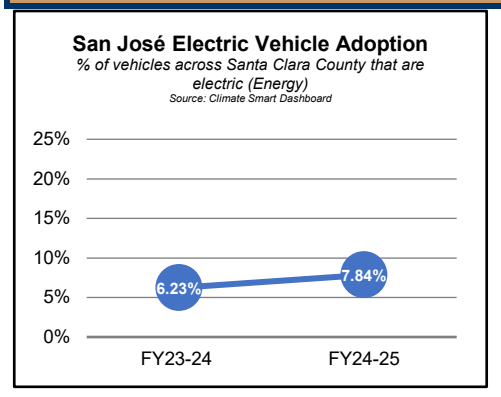
OUTCOME 2: AFFORDABLE, EFFECTIVE UTILITIES WITH EXCELLENT CUSTOMER CARE



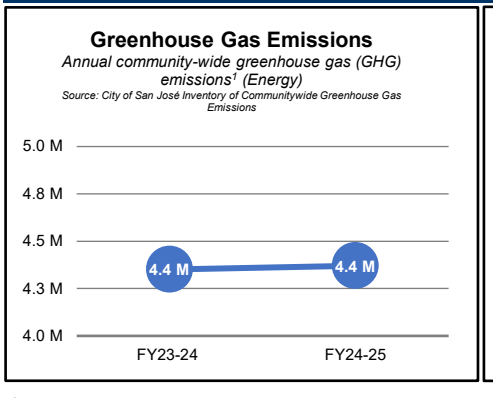


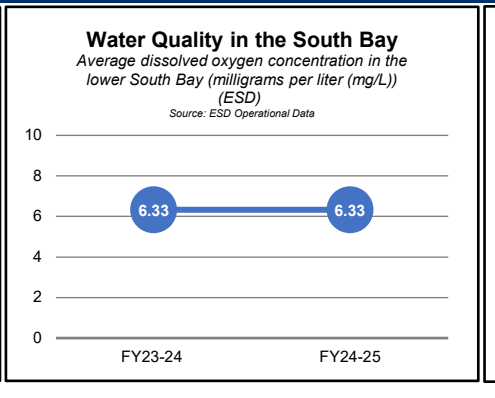


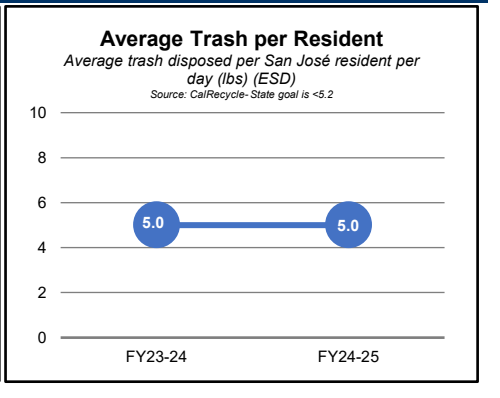
OUTCOME 3: UTILITY SYSTEMS THAT ARE FISCALLY AND ENVIRONMENTALLY SUSTAINABLE AND MEET FUTURE NEEDS



OUTCOME 4: PROTECTED, RESTORED, AND MAINTAINED ENVIRONMENT





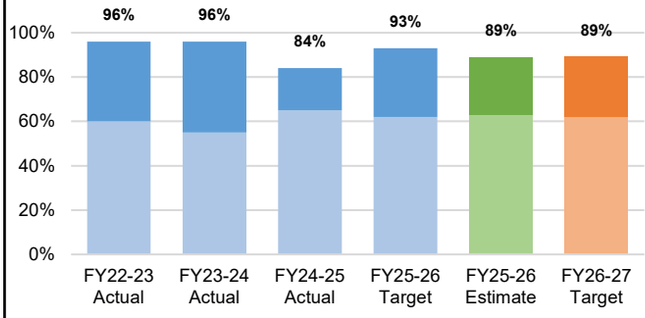


[1] Data reported is in Metric Tons of Carbon Dioxide Equivalent (MTCO2e) for the calendar year. Data represents net emissions and includes all emissions sectors except the "Process & Fugitive Emissions" sector, which is not covered under the City's carbon neutrality definition and goal per Resolution No. 80284.

PERFORMANCE MEASURE DASHBOARD

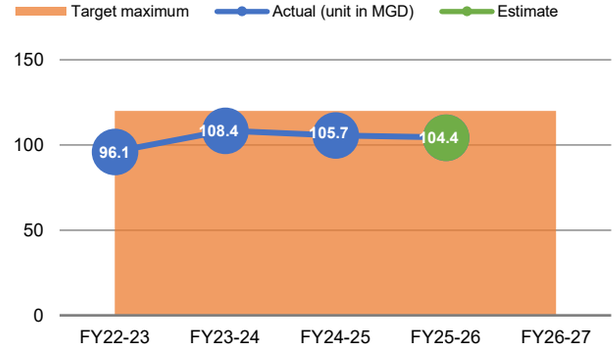
San José Clean Energy Power Mix

% of San José Clean Energy Power that is renewable and carbon-free[1] (Energy)



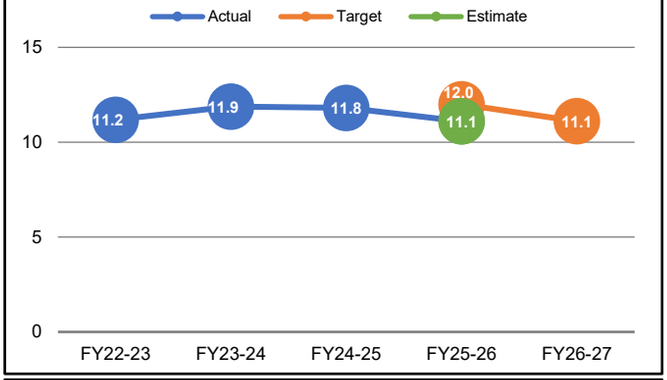
Wastewater Discharge Limit

Not to exceed 120 millions of gallons of wastewater discharged in the Lower South Bay per day during the dry season[2] (ESD)



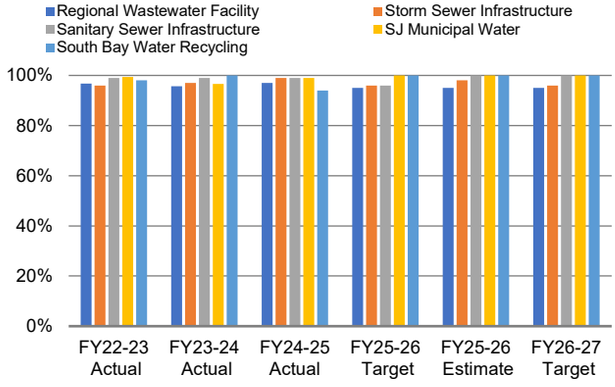
Recycled Water Delivered

Average millions of gallons per day of recycled water delivered by South Bay Water Recycling (ESD)



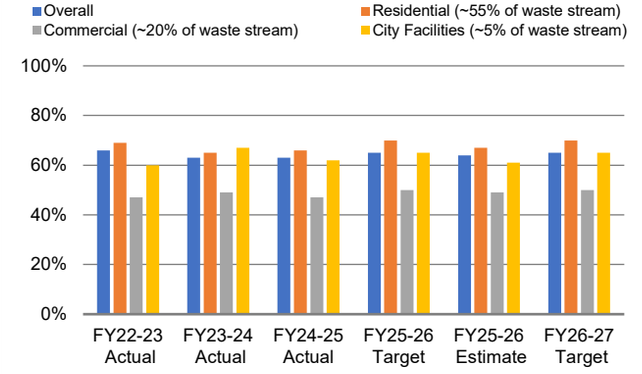
Operational Utility Assets

% of utility assets[3] that are online and functional (ESD)

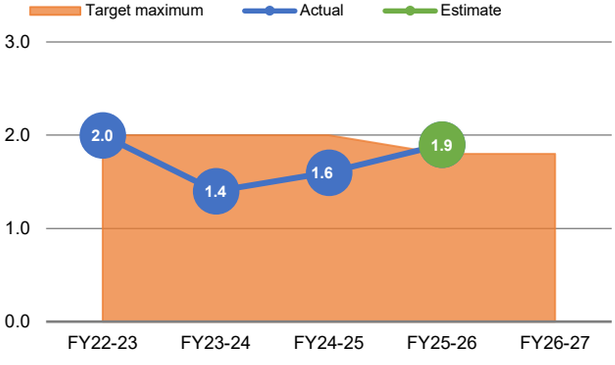


Landfill Waste Diversion

% of waste diverted from landfills (State Goal: 50%)[4,5] (ESD)



Sanitary Sewer Overflow Limit Not to exceed sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized) (DOT)



[1] Target set by Council direction based upon GreenSource energy content for the given year. Power mix calculated as a percentage of retail load on a calendar year basis (example: 2026-2027 represents calendar year 2026).

[2] The San José / Santa Clara Regional Wastewater Facility is permitted to treat an average 167 million gallons per day (mgd). In accordance with the NPDES permit, a maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. Therefore, the target is to stay below the regulatory threshold of 120 mgd. Treated wastewater effluent is discharged to the Bay or diverted for recycled water uses. The RWF continues to consistently meet regulatory requirements.

[3] Utility assets are the numerous components of a single facility that run the various interconnected capabilities of the service. An asset may be out of service while the facility on a whole is still operational.

[4] FY 25-26 targets are internal goals based on historical trends, except for the Commercial contract target which is separately established to hold the contractor accountable for diversion performance (60%).

[5] Overall diversion takes into account estimates from the Construction and Demolition sector (~25% of waste stream).

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

CSA Priorities/Expected 2026-2027 Service Delivery

- Build, operate, and maintain the City's wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Promote the health of the environment and South Bay watershed through the collection, treatment, and management of wastewater and stormwater runoff.
- Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Reduce the City's environmental footprint through energy efficiency, waste reduction, and environmentally preferable purchases.
- Continue to provide residents and businesses with renewable energy options at competitive rates.

2026-2027 Key Budget Actions

- Environmental Services Department (ESD) - Utility Rates
  - Storm Sewer Service Rates – Maintains current rates in 2026-2027.
  - Sanitary Sewer Service Rates – 1% increase in sanitary sewer service revenue will enable the City to continue to treat wastewater in accordance with environmental standards, continue investment in the capital improvement of the Regional Wastewater Facility, and procure vehicles and equipment necessary for ongoing maintenance of sanitary sewer infrastructure.
  - Residential Garbage and Recycling Rates – 7% increase in single-family dwelling rates and a 4% increase in multi-family dwelling rates will maintain cost recovery as contract expenditures increase due to annual cost-of-living adjustments for solid waste haulers. Additionally, these increases will enable the City to continue to implement contamination reduction efforts, as well as expand access to Junk Pick-up and Household Hazardous Waste programs.
  - Municipal Water System – A revenue increase of approximately 8% is necessary, primarily to account for the increased cost of wholesale water.
- Continues and makes permanent 1.0 Community Activity Specialist in ESD to serve as the field lead for the Contamination and Recycling Tagging project, contributing to decreased rates of recycling contamination.
- Continues and makes permanent 1.0 Environmental Inspector in Integrated Waste Management Environmental Enforcement, increasing ESD's ability to respond to dangerous accumulations of garbage and recycling materials, as well as early set-out of yard trimmings.
- Makes key investments in data management and compliance, with additions of an SB1383 database and a Financial Modeling Software for sanitary sewer rate setting.
- Adds $3.0 million to purchase two new dredges for the Regional Wastewater Facility and eight new or replacement vehicles for the Water Resources, Watershed Protection, and Integrated Waste Management programs.
- Adds $225,000 in ESD and $150,000 in personal services funding in the Transportation Department (DOT) to mark approximately 23,000 municipally maintained storm drain inlets, to remain in compliance with the Stormwater Permit.
- Adds one-time funding of $291,400 in the DOT and $50,000 in ESD for enhanced street sweeping and outreach to address high-trash-generating On-Land Visual Trash Assessment (OVTA) sites.
- Adds 1.0 Principal Power Resources Specialist in the Energy Department to lead strategy, market development and engagement, product development, and the structuring of rate tariffs to serve large-load customers such as data centers, advanced manufacturing, and electric vehicle charging providers that are in the development pipeline.
- Adds 2.0 Power Resources Specialist I/II positions in the Energy Department to support the administration of the City's growing number of power purchase agreements and lead the growth and operational management of San José Clean Energy's demand side management resource portfolio.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

*City Service Area Budget Summary***

Dollars by Core Service *	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Energy Department				
Energy Community Programming	5,837,321	22,600,744	4,347,551	4,506,248
Energy Customer Support	8,143,851	8,287,280	9,149,459	9,149,459
Providing Clean Energy to the Community	433,750,684	430,340,046	343,641,093	344,195,628
Strategic Support - Environmental & Utility Services	7,655,193	7,671,633	7,277,892	7,357,241
Strategic Support - Other - Environmental & Utility Services	4,416,001	4,531,448	3,914,321	4,002,391
Environmental Services Department				
Potable Water Delivery	60,807,493	65,558,711	70,704,359	70,967,359
Recycled Water Management	18,304,395	20,168,174	20,119,710	22,183,710
Recycling & Garbage Services	205,287,793	216,922,030	226,004,367	226,701,831
Stormwater Management	10,608,979	12,270,643	11,644,383	12,251,833
Strategic Support - Environmental & Utility Services	16,875,789	21,676,656	20,267,787	20,881,585
Strategic Support - Other - Environmental & Utility Services	29,185,391	27,135,268	24,763,641	24,868,585
Sustainability and Environmental Health	6,056,043	381,112	0	0
Utility Regulatory Advocacy and Compliance	1,875,726	6,487,846	6,553,902	6,903,902
Wastewater Management	104,977,185	135,862,582	133,980,458	136,421,458
Transportation Department				
Sanitary Sewer Maintenance	26,514,091	34,713,869	28,500,775	28,530,775
Storm Sewer Maintenance	8,862,473	11,917,822	10,430,848	10,929,248
Strategic Support - Environmental & Utility Services	3,132,064	2,708,445	3,534,169	3,534,169
Strategic Support - Other - Environmental & Utility Services	6,435,683	6,995,683	6,585,105	6,585,105
Total CSA	**$958,726,155**	**$1,036,229,992**	**$931,419,820**	**$939,970,527**
Authorized Positions	**811.99**	**812.99**	**812.49**	**818.49**

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 1: UTILITY SERVICES THAT PROTECT PUBLIC HEALTH AND THE ENVIRONMENT

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.1: Preserve the City's utility infrastructure to optimize service delivery capabilities	PM 1.1.1	**Operational Utility Assets.** % of utility assets that are online and functional: (ESD, DOT)					
		- Regional Wastewater Facility	97%	95%	95%	95%	95%
		- Storm Sewer Infrastructure	99%	96%	98%	96%	96%
		- Sanitary Sewer Infrastructure	99%	96%	100%	100%	96%
		- San José Municipal Water	99%	100%	100%	100%	99%
		- South Bay Water Recycling	94%	100%	100%	100%	99%
SG 1.2: Increase quality of life through sustainable utility modernization	PM 1.2.1	**Utility Regulatory Report Filing Compliance.** Ratio of regulatory report filings in compliance and completed on time for each utility: (Energy, ESD)					
		- Energy	N/A[1]	100%	100%	100%	100%
		- San José Municipal Water	N/A[1]	100%	100%	100%	100%
		- SJ-SC Regional Wastewater Facility	N/A[1]	100%	100%	100%	100%
		- Storm Sewer	N/A[1]	100%	100%	100%	100%
		- Sanitary Sewer	N/A[1]	100%	100%	100%	100%
		- South Bay Water Recycling	N/A[1]	100%	100%	100%	100%

[1] This is a new performance measure for 2025-2026. 2024-2025 actuals are not available.

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 2: AFFORDABLE, EFFECTIVE UTILITIES WITH EXCELLENT CUSTOMER CARE

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.1: Ensure our utilities are modernized, reliable, and meet regulatory requirements	PM 2.1.1	**Customer Energy Savings.** % customer savings compared to PG&E (Energy)	4.0%	6.0%	6.0%	(0.3%)	2.0%
	PM 2.1.2	**Average Single-Family Dwelling Utility Cost.** Average cumulative utility cost per month for Single-Family Dwelling (includes sanitary sewer, storm sewer, SJ Muni Water, Solid Waste, and Energy) (ESD, Energy)	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
SG 2.2: Enhance responsive utility services aligned with customer expectations	PM 2.2.1	**Energy Call Center Timeliness.** % of calls that are answered within response time targets (Energy)	85%	75%	98%	75%	75%
	PM 2.2.2	**Environmental Program Efforts Perception.** % of residents surveyed rating the City's efforts to improve environmental programs and recycling as "good" or "excellent" (ESD)	N/A[2]	75%	72%	N/A[2]	75%
	PM 2.2.3	**Utility Infrastructure Maintenance Perception.** % of residents surveyed rating the maintenance of the City's utility infrastructure including water, sewer, and storm drain infrastructure as "good" or "excellent" (ESD)	N/A[2]	100%[3]	50%[3]	N/A[2]	50%[3]
	PM 2.2.4	**Resident Awareness of Stormwater Impact.** % of residents surveyed who understand that any substances that get washed down the street through the storm drain system end up in the Bay without treatment (ESD)	N/A[2]	65%	65%	N/A[2]	70%
	PM 2.2.5	**Recycling Education Perception.** % of residents rating the City's job of providing information on how to recycle as "good" or "excellent" (ESD)	N/A[2]	100%	60%[4]	N/A[2]	60%[4]

[1] Due to the complexities of forecasting, the methodology for this performance measure is still under development and will be established in the 2027-2028 Proposed Operating Budget.

[2] This performance measure is derived from the Environmental Services Biennial Customer Survey, which was last conducted in January 2026. Survey results are included as part of the 2025-2026 Estimate. Actuals for 2024-2025 is an off-year so Actuals for 2024-2025 are not available. The next survey will be conducted in January 2028 and a target will be established in the 2027-2028 Proposed Budget.

[3] 2025-2026 Target was erroneously set at 100%. A more realistic estimate is 50% and represents the percentage of surveyed residents that perceive utility infrastructure maintenance as "good" or "excellent".

[4] 2025-2026 Target was erroneously set at 100%. A more realistic estimate is 60% and represents the percentage of surveyed residents that perceive recycling education perception as "good" or "excellent".

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 3: SUSTAINABLE UTILITY SYSTEMS THAT MEET FUTURE NEEDS

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 3.1: Promote carbon neutrality and climate adaptation	PM 3.1.1	**South Bay Water Recycled Gallons Delivered.** Average millions of gallons per day of recycled water delivered by South Bay Water Recycling[1] (ESD)	11.81	12.00	11.10	11.10	12.00
SG 3.2: Promote sustainable solid waste management, energy, and water usage practices	PM 3.2.1	**San José Clean Energy Power Mix.** % of San José Clean Energy Power that is renewable and carbon-free:[2] (Energy)					
		- % Renewable	65%	62%	63%	62%	60%
		- % Carbon-Free[3]	84%	93%	89%	89%	100%
	PM 3.2.2	**Recycled Water Sales.** % of San José Municipal Water Sales that is recycled water (ESD)	12%	13%	13%	13%	13%
	PM 3.2.3	**Landfill Waste Diversion.** % of waste diverted from landfills[4,5] (State Goal: 50%) (ESD)					
		- Overall	63%	65%	64%	65%	70%
		- Residential	66%	70%	67%	70%	75%
		- Commercial	47%	50%	49%	50%	60%
		- City Facilities	62%	65%	61%	65%	75%

[1] The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the Water Pollution Control Plant to over 700 customers for reuse in irrigation, industrial cooling, and other beneficial purposes. SBWR supplies more than 75% of all recycled water used in Santa Clara County.

[2] Target set by Council direction based upon GreenSource energy content for the given year. Power mix calculated as a percentage of retail load on a calendar year basis (example: 2025-2026 represents calendar year 2025).

[3] Total of renewable and other carbon-free energy sources.

[4] 2026-2027 Targets are internal goals based on historical trends, except for the Commercial contract target which is separately established to hold the contractor accountable for diversion performance (60%).

[5] Overall diversion takes into account estimates from the Construction and Demolition sector (~25% of waste stream).

BUDGET SUMMARY

OUTCOME 4: PROTECTED, RESTORED, AND MAINTAINED ENVIRONMENT

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 4.1: Maintain clean and safe streetscapes and waterways	PM 4.1.1	**Sanitary Sewer Overflows.** Not to exceed sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized) (DOT)	1.6	1.8	1.9	1.8	1.8
SG 4.2: Protect public health through effective water and solid waste management	PM 4.2.1	**NPDES Discharge Compliance.** Ratio of wastewater effluent samples that are in compliance with NPDES discharge guidelines (ESD)	100%	100%	100%	100%	100%
	PM 4.2.2	**Potable Water Public Health Regulation Compliance.** Ratio of collected potable water samples that are in compliance with public health regulations (ESD)	100%	100%	100%	100%	100%
	PM 4.2.3	**Recycled Water Public Health Regulation Compliance.** Ratio of recycled water samples that are in compliance with public health regulations (ESD)	100%	100%	100%	100%	100%
	PM 4.2.4	**Green Stormwater Infrastructure Treatment.** % of City land area treated by City-owned: (ESD)					
		- Green Stormwater Infrastructure	N/A[1]	3.2%	N/A[1]	N/A[1]	5.0%
		- Full Trash Capture devices	N/A[1]	45.2%	N/A[1]	N/A[1]	50.0%
	PM 4.2.5	**Wastewater Discharge Limit.** Not to exceed 120 millions of gallons of wastewater discharged in the Lower South Bay per day during the dry season[2] (ESD)	105.7MGD	120.0 MGD	104.4 MGD	120.0 MGD	120.0 MGD

[1] The data for this performance measure requires extensive multi-departmental coordination is data intensive but is expected to be available for the 2026-2027 Adopted Budget.

[2] The San José-Santa Clara Regional Wastewater Facility is permitted to treat an average 167 million gallons per day. In accordance with the NPDES permit, a maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. Therefore, the target is to stay below the regulatory threshold of 120 mgd. Treated wastewater effluent is discharged to the Bay or diverted for recycled water uses. The RWF continues to consistently meet regulatory requirements.

BUDGET SUMMARY

EUS CSA-Level Data Sources	
Identifier	**Data Source**
PM 1.1.1	Environmental Services Department Regional Wastewater Facility infrastructure management tracking, Department of Transportation Storm and Sanitary Sewer infrastructure management tracking
PM 1.2.1	Environmental Services Department and Energy Department Compliance Reports
PM 2.1.1	Energy Department internal file (load actuals and discount vs. PG&E)
PM 2.1.2	Environmental Services Department and Energy Department (Calpine data)
PM 2.2.1	Energy Department Call Center
PM 2.2.2	Environmental Services Biennial Customer Survey
PM 2.2.3	Environmental Services Biennial Customer Survey
PM 2.2.4	Environmental Services Biennial Customer Survey
PM 2.2.5	Environmental Services Biennial Customer Survey
PM 3.1.1	South Bay Water Recycling Operations Tracking
PM 3.2.1	Energy Department internal contracts maintenance file
PM 3.2.2	South Bay Water Recycling Revenue Tracking
PM 3.2.3	Integrated Waste Management Operations
PM 4.1.1	Department of Transportation SSO Tracking
PM 4.2.1	Regional Wastewater Facility Annual Compliance Report
PM 4.2.2	Environmental Services Department Water Resources Division Compliance Tracking
PM 4.2.3	South Bay Water Recycling Annual Report
PM 4.2.4	Environmental Services Department Watershed Protection GSI/Trash Capture Tracking
PM 4.2.5	Regional Wastewater Facility NPDES Permit

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
ENERGY DEPARTMENT			
• Strategic Load Management Staffing	1.00	300,186	
• Energy Hedging Program Review		175,000	
• Risk Management and Contracts Administration Compliance and Oversight Staffing	1.00	158,698	
• Demand Side Power Portfolio Management Staffing	1.00	158,697	
Subtotal	3.00	792,581	0
ENVIRONMENTAL SERVICES DEPARTMENT			
• Residual Solids Management Operations Dredges		2,415,000	
• South Bay Water Recycling Metering and Pressure Monitoring Improvements		2,000,000	
• Sanitary Sewer Cost-of-Service Study and Rate Modeling Software		575,000	
• Water Resources Division Vehicle Replacements		320,000	
• Storm Drain Inlet Marking Compliance (Procurement)		225,000	
• Fire Stations PFAS Investigations and Cleanup		220,000	220,000
• Construction and Demolition Diversion Program Staffing (Continuation)	1.00	184,508	
• Environmental Enforcement Program Vehicle Replacement		180,450	
• Solid Waste Enforcement Program Staffing (Continuation)	1.00	179,477	
• Non-Profit Creek Cleanup Partnerships (Continuation)		150,000	
• Recycling Contamination Reduction and Junk Pick-Up Field Staffing (Continuation)	1.00	132,479	
• Former Fire Training Center PFAS Investigation and Cleanup		130,000	130,000
• Solid Waste Tracking and Management Software		100,000	
• Commercial Public Litter Can Program Vehicle		100,000	
• Outreach for Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		50,000	
• Environmental Health and Safety Team Staffing		38,798	777
• Vehicle Operations and Maintenance (Fleet Staffing)		36,000	
Subtotal	3.00	7,036,712	350,777
TRANSPORTATION DEPARTMENT			
• Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		291,400	
• Storm Drain Inlet Marking Compliance (Installation)		150,000	
• Polychlorinated Biphenyl (PCB) Mitigation (Direct Discharge)		50,000	50,000
• Vehicle Operations and Maintenance (Fleet Staffing)		37,000	
Subtotal	0.00	528,400	50,000
Subtotal Departments	**6.00**	**8,357,693**	**400,777**
Total Proposed Budget Changes	**6.00**	**8,357,693**	**400,777**

CITY SERVICE AREA

NEIGHBORHOOD SERVICES







MISSION

To serve, foster, and strengthen the community by providing access to lifelong learning, supportive services, opportunities to enjoy life, and preserving and stewarding healthy neighborhoods with shelter and housing opportunities for all

Primary Partners

Housing

Library

Parks, Recreation and Neighborhood Services

Planning, Building and Code Enforcement

CSA OUTCOMES

- ❒ Safe and Clean Neighborhoods and Public Spaces
- ❒ Welcoming and Vibrant Neighborhoods and Public Life
- ❒ Equitable Access to Community Opportunities to Flourish
- ❒ Housing Security through Supportive Solutions

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

SERVICE DELIVERY FRAMEWORK

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

MISSION STATEMENT
Why the CSA exists

Neighborhood Services CSA

Mission:

To serve, foster, and strengthen the community by providing access to lifelong learning, supportive services, opportunities to enjoy life, and preserving and stewarding healthy neighborhoods with shelter and housing opportunities for all

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

Outcomes:

- Safe and Clean Neighborhoods and Public Spaces
- Welcoming and Vibrant Neighborhoods and Public Life
- Equitable Access to Community Opportunities to Flourish
- Housing Security through Supportive Solutions

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

CORE SERVICES
Primary deliverables of the organization

Housing Department

Core Services:

- Homelessness Response

Library Department

Core Services:

- Access to Information, Library Materials, and Digital Resources
- Literacy and Learning, Formal and Lifelong Self-Directed Education

Parks, Recreation and Neighborhood Services Department

Core Services:

- Animal Care and Services
- Community Facilities Development
- Community Services
- Parks Maintenance and Operations
- Recreation Services

Planning, Building and Code Enforcement Department

Core Services:

- Code Enforcement

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

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

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

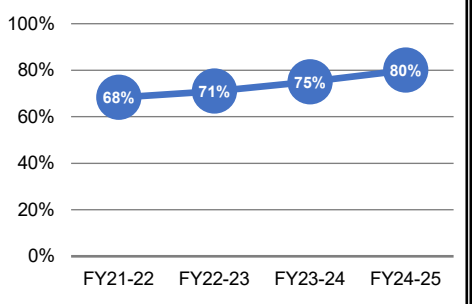
COMMUNITY INDICATORS DASHBOARD

OUTCOME 1: SAFE AND CLEAN NEIGHBORHOODS AND PUBLIC SPACES

Neighborhood Safety Perception

% of residents rating neighborhood safety as "Very Safe" or "Somewhat Safe" (PRNS)

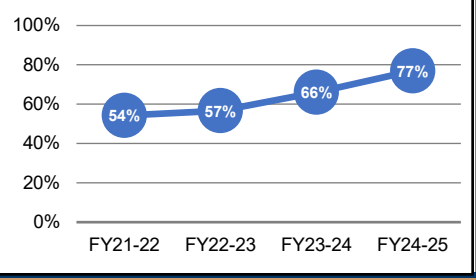
Source: Community Opinion Survey



Neighborhood Park Safety Perception

% of residents rating neighborhood park safety as "Very Safe" or "Somewhat Safe" (PRNS)

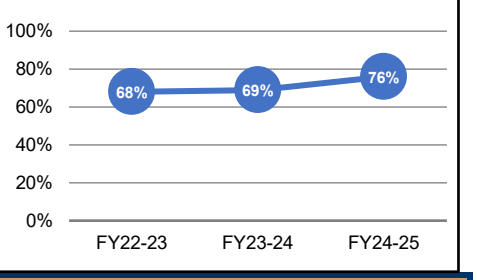
Source: Community Opinion Survey



Neighborhood Cleanliness Perception

% of residents rating their neighborhood as "very clean" or "somewhat clean" (PBCE)

Source: City of San Jose Focus Area Survey

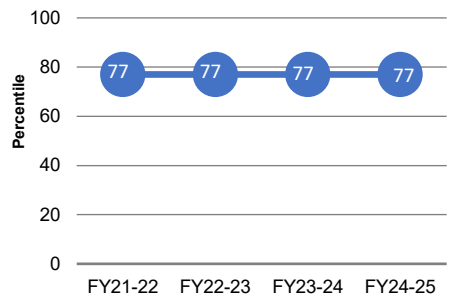


OUTCOME 2: WELCOMING AND VIBRANT NEIGHBORHOODS AND PUBLIC LIFE

Healthy Places Index

Percentile ranking for healthy community conditions (PRNS)

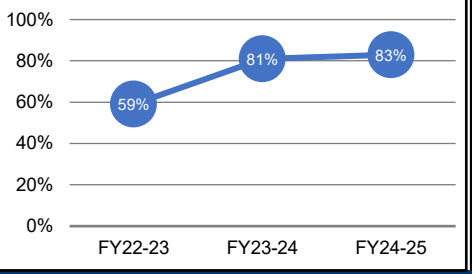
Source: Healthy Places Index



Sense of Community and Belonging

% of residents who "strongly agree" or "somewhat agree" that they feel a sense of community and belonging (PRNS)

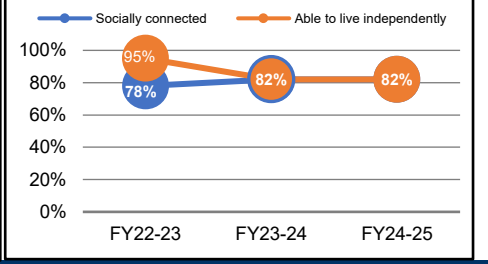
Source: City of San Jose Focus Area Survey



Older Adult Sense of Social Connectivity and Ability to Live Independently

% of older adults (aged 65+) who "strongly agree" and "somewhat agree" that they are: (PRNS)

Source: City of San Jose Focus Area Survey

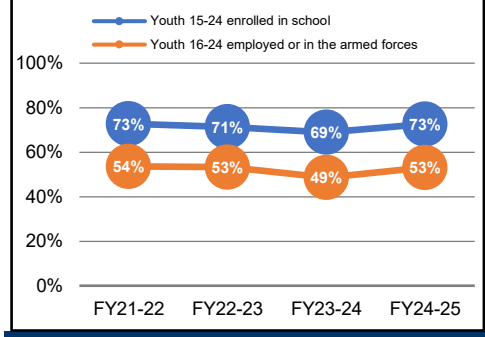


OUTCOME 3: EQUITABLE ACCESS TO COMMUNITY OPPORTUNITIES TO FLOURISH

Youth Participation Rates

% that are in School or Employed (Library)

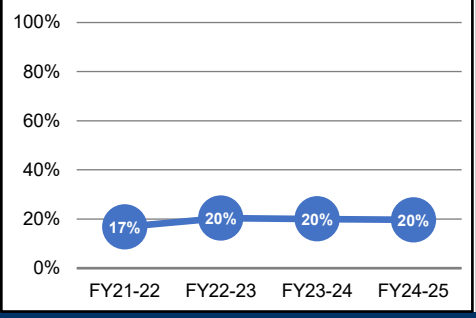
Source: American Community Survey



Neighborhood Poverty Rate

% of residents below 200% the national poverty line (Library)

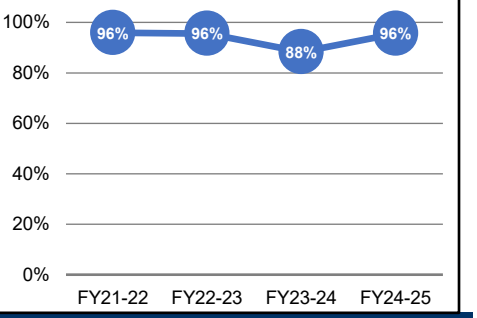
Source: American Community Survey



Broadband Access Rates

% of persons with broadband access at home (Library)

Source: American Community Survey

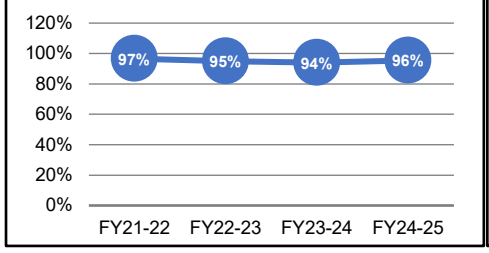


OUTCOME 4: HOUSING SECURITY THROUGH SUPPORTIVE SOLUTIONS

Homelessness Prevention Retention Rate

% of San José households receiving prevention services that retain housing after one year of accessing services (Housing)

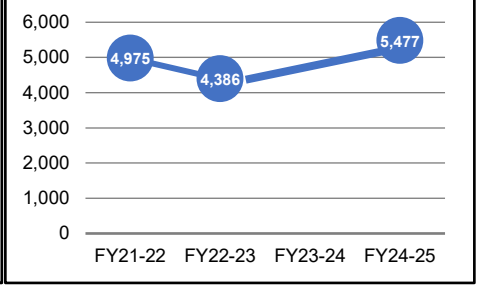
Source: Homeless Management Information System



Unsheltered Homelessness

of individuals in San José experiencing unsheltered homelessness[1] (Housing)

Source: Homeless Management Information System, Point in Time Count, City Counts, Annual Inflow, Annual Placements

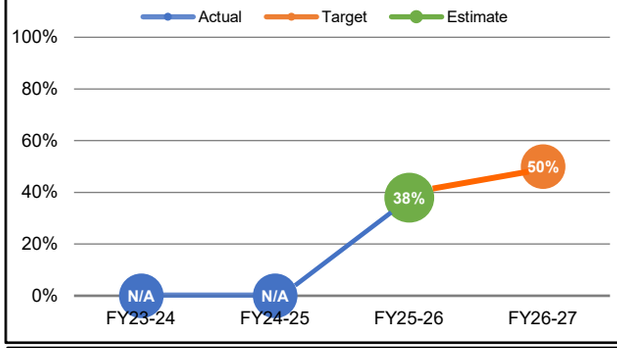


[1] Data reported prior to 2024-2025 reflects a Point in Time Count, a County-led and City-supported count conducted every two years in January. Because January 2025 PIT results were not available for the February 2025 Budget Priority Study Session, and because volunteer-based counts have known limitations, including limited access to more than 100 miles of waterways and other hard-to-reach areas, the Housing Department used an interim City methodology and local data sources to estimate unsheltered homelessness in San José. This new methodology increased the count in 2024-2025.

PERFORMANCE MEASURE DASHBOARD

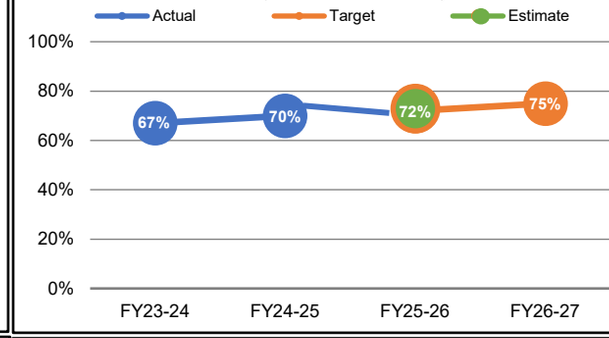
Park Condition Assessment Score[1]

% of developed park acres by park condition assessment (PCA) score 95% or better (PRNS)



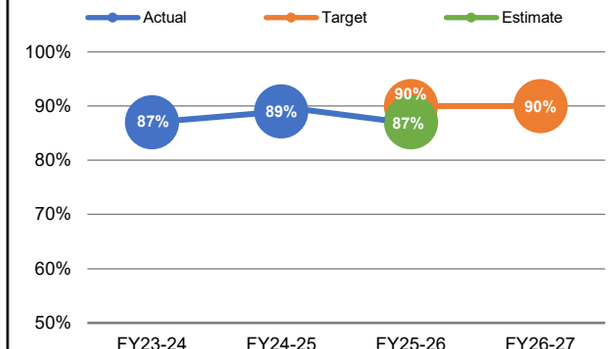
Neighborhood Physical Condition

% of residents who indicate that the physical condition of the neighborhood is about the same or better (Code Enforcement)



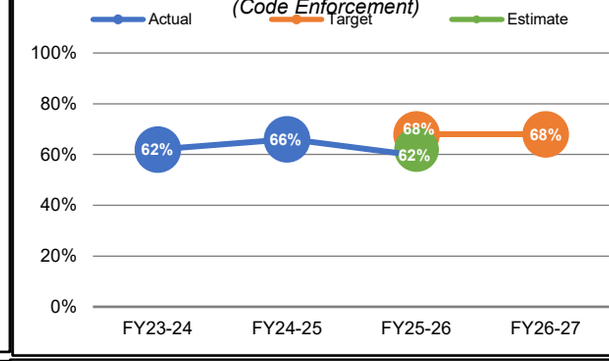
Animal Live Release Rate[2]

% of animals that leave the shelter through adoption, rescue, transfer, or return to owner (PRNS)



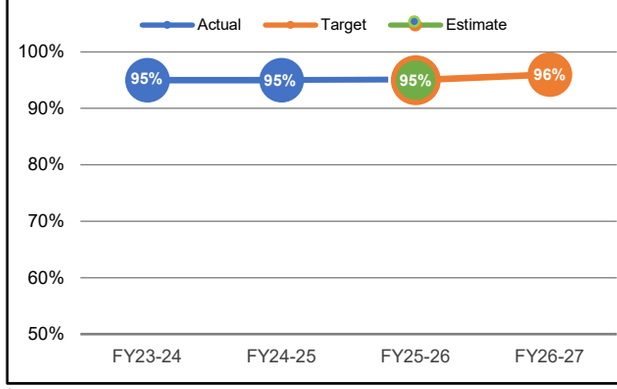
General Code Program Case On-Time Resolutions

% of General Code Program cases resolved within processing time targets (Code Enforcement)



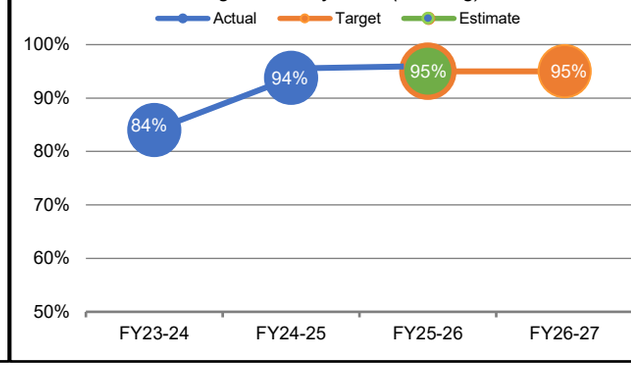
Library Service Quality Rating

% of residents rating the quality of library services as "Good" or "Excellent" (Library)



Homelessness Program Occupancy Rate

% occupancy of all Temporary and Interim Housing throughout the system[3] (Housing)



[1] In 2025-2026, in response to feedback from the Parks and Recreation Commission and Neighborhood Services & Education Committee, PRNS piloted a Park Condition Assessment (PCA) score in fall 2025 using a more rigorous assessment model. Under the previous model, a passing score was 80% and now it is 95%. The pilot was successful; PRNS will use the model going forward, beginning with the 2025-2026 Estimate.

[2] Live release rate is influenced by a number of factors external to the City, such as the type and condition of the animals received by the shelter. Staff will continue to evaluate the appropriate live release target based on trends in these external factors.

[3] New measure beginning in 2025-2026. Monterey Branham and Via Del Oro Interim shelters adding 339 units into shelter portfolio.

BUDGET SUMMARY

CSA Priorities/Expected 2026-2027 Service Delivery

- The Library will continue to provide access to information and knowledge resources for all San José residents, students, educators, and families, including access to technology and print materials, classes, afterschool homework help for students, and educational and literacy programs for all ages. The Library continues to lead the City's Education Strategy and Broadband and Digital Empowerment Strategy.
- PRNS will continue its stewardship of parks, trails, and public spaces through an equity lens and provide access for healthy opportunities through recreational and socialization programs for people of all ages and abilities. This includes the provision of leisure classes, safe, educational and fun summer camps and nature-based experiences at numerous parks, community centers and destinations such as Happy Hollow Park and Zoo.
- Code Enforcement will continue to respond to complaints and conduct inspections for code violations city-wide to address blight, substandard housing, illegal occupancy, unpermitted construction, etc., contributing to the overall health, safety, and quality of life of our community.
- Deliver neighborhood cleanliness services through graffiti abatement, management of illegal dumping and encampment trash, and removing biowaste pollution from RVs; continue homeless outreach and engagement services in coordination with abatements and maintained No Return / No Encampment Zones; maintain Gateway corridors; and further neighborhood association engagement and volunteerism with forums, neighborhood litter pickups and dumpster days.
- Enhance management of the City's shelter system to achieve greater systemwide efficiency by reducing operating costs, maintaining consistent high occupancy levels, increasing throughput from shelter to permanent housing, and ensuring alignment with the County's Coordinated Entry System while still addressing local needs.
- Continue to make progress toward functional zero in unsheltered homelessness by managing a sustainable shelter system, reducing inflow, increasing throughput to permanent housing, and strengthening coordinated service delivery with the County.
- Through the Animal Care and Services Center, provide care for 11,500 incoming animals with an estimated 18,500 calls for service while targeting a live release rate of 90%.

2026-2027 Key Budget Actions

- In 2026-2027 and 2027-2028, the Biblioteca Latinoamericana Branch Library is scheduled to close for renovation and repairs. As a result, the Library will temporarily decrease personal services funding for 2.0 Librarian II, 1.0 Library Assistant, 1.0 Library Clerk, 1.0 Library Clerk PT, 1.2 Library Page PT, and 0.3 Library Aide PT positions in the General Fund and 0.5 Library Clerk PT and 1.6 Library Page PT positions in the Library Parcel Tax Fund. Staff assigned to this branch library will be reassigned to other branch locations.
- Eliminates public access to the California Room Local History Collection at the Dr. Martin Luther King Jr. Library, resulting in the elimination of 1.0 Librarian II, 1.0 Library Clerk, and 0.5 Library Clerk PT filled positions, and 0.5 Library Page PT position. Physical materials will remain available for retrieval by appointment only.
- As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time personal services funding of $175,000 to continue temporary staffing for one additional year to support the Enhanced Vacant Building and Storefronts Program in Downtown San José. The position provides focused enforcement on chronically blighted and hazardous vacant buildings and storefronts through proactive inspections, complaint response, case documentation, and coordination with legal and community partners. The actions maintain dedicated enforcement capacity for vacant and blighted properties in Downtown.

BUDGET SUMMARY

2026-2027 Key Budget Actions

- Adds $1.0 million one-time to address wildfire risk and public safety concerns at Alum Rock Park and other City parks and open spaces. This funding will cover the first year of a three-year plan. Alum Rock Park has historically been identified as high-risk, but there are also neighborhood parks and open spaces where unmanaged grasses and invasive vegetation contribute to hazardous conditions. Funding to continue vegetation management in years two and three will be prioritized with the Parks and Community Facilities Development Capital Program during future budget development cycles.
- Reduces Beautify San José non-personal/equipment funding by $4.0 million in 2026-2027 and $6.3 million ongoing to reflect less reliance on vendors and Police Officer secondary employment costs needed for large abatements that have been largely cleared. Also includes a series of staffing shifts, including 1.0 Community Coordinator position from the demobilized Waterways Team to the Safe School Campus Initiative team.
- Decreases the Interim Housing Construction and Operations funding in the General Fund by $1.25 million in 2026-2027 and $14.2 million ongoing, reflecting service delivery changes and cost sharing within the City's Interim Housing portfolio.
- Makes permanent 1.0 Senior Development Officer position in the Housing Department to continue providing oversight of the County partnership on interim housing and managing the opening of shelter sites; 1.0 Development Officer position to continue daily supervision of the third-party contract outreach teams and the Enhanced Engagement Program Team; and 1.0 Development Officer position to coordinate daily interim housing operations at shelter sites.
- Continues 3.0 Community Coordinator positions in the Homelessness Response Division through June 30, 2027. These positions are part of the Enhanced Engagement Program (EEP), led by Housing Department, in partnership with Police Department and PRNS Department, that focuses on proactive enforcement of the Code of Conduct for Encampments. EEP is also responsible for tracking outcomes including the number of direct referrals that result in successful placement or connection to services and the number of unduplicated individuals declining housing, shelter, or services.
- As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by City Council, this action adds ongoing personal services funding of $106,500 and ongoing non-personal/equipment funding of $182,500 to support expanded spay and neuter services for the in-house Trap, Neuter, and Release (TNR) program and contracted veterinary services. Of the total $289,000, approximately $189,000 will support expanding in-house TNR surgeries by one additional weekday. The remaining $100,000 will support increasing contracted veterinary services for spay and neuter surgeries outside the TNR program, such as owner surrender, foster, stray animals, or other surgeries to prepare animals for adoption.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

*City Service Area Budget Summary***

Dollars by Core Service *	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Housing Department				
Homelessness Response	102,430,197	96,898,342	109,828,065	110,433,968
Strategic Support - Other - Neighborhood Services	5,294	702,497	1,033,399	1,212,151
Library Department				
Access To Information, Library Materials, and Digital Resources	44,510,444	49,091,391	49,003,638	47,594,609
Literacy and Learning, Formal and Lifelong Self-Directed Education	2,515,339	4,405,945	4,667,229	4,667,229
Strategic Support - Neighborhood Services	13,363,559	11,822,453	11,114,981	11,082,413
Strategic Support - Other - Neighborhood Services	3,934,845	5,461,742	2,910,434	2,910,434
Parks, Recreation and Neighborhood Services Department				
Animal Care and Services	0	0	17,198,466	17,487,466
Community Facilities Development	8,258,433	8,301,276	8,614,427	8,614,427
Community Services	43,730,914	52,077,879	49,940,687	45,666,175
Parks Maintenance and Operations	66,366,382	69,921,356	66,062,826	67,581,374
Recreation Services	33,259,431	37,674,293	36,150,727	35,226,335
Strategic Support - Neighborhood Services	10,815,559	7,537,367	7,243,587	6,963,290
Strategic Support - Other - Neighborhood Services	14,685,253	9,205,567	6,779,171	8,429,171
Planning, Building and Code Enforcement Department				
Code Enforcement	13,626,879	15,268,981	14,903,828	15,148,828
Strategic Support - Neighborhood Services	861,714	578,664	571,571	554,530
Strategic Support - Other - Neighborhood Services	30,470	142,882	132,878	132,878
Public Works Department				
Animal Care and Services (Public Works)	16,410,550	17,180,642	0	0
Strategic Support - Neighborhood Services	22,061,889	23,652,094	2,865,132	2,865,132
Strategic Support - Other - Neighborhood Services	30,384,505	256,000	0	0
Total CSA	**$427,251,657**	**$410,179,371**	**$389,021,046**	**$386,570,410**
Authorized Positions	**1,469.83**	**1,477.50**	**1,449.36**	**1,452.02**

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: SAFE AND CLEAN NEIGHBORHOODS AND PUBLIC SPACES

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
1.1 Clean and maintain the City's public spaces and community resources	*PM 1.1.1*	**Park Condition Assessment Score.** % of developed park acres by park condition assessment (PCA) score 95% or better *(PRNS)*[1]	N/A	N/A	38%	50%	50%
	PM 1.1.2	**BeautifySJ Response Times.** % of graffiti removal, illegal dumping, and encampment trash services inquiries responded to within response time targets *(PRNS)*	90%	80%	90%	93%	95%
	PM 1.1.3	**Neighborhood Physical Condition Perception.** % of residents who indicate that the physical condition of the neighborhood is about the same or better *(Code Enforcement)*	70%	72%	72%	75%	85%
	PM 1.1.4	**Library Facility Condition Rating.** % of customers rating Library building maintenance as "Good" or "Very Good" *(Library)*	91%	90%	91%	85%	93%
1.2 Promote and protect the health, safety, and welfare of residents, businesses, and animals through education and compliance services	*PM 1.2.1*	**Animal Live Release Rate.** % of animals that leave the shelter through adoption, rescue, transfer, or return to owner *(ACS)*	89%	90%	87%	90%	90%
	PM 1.2.2	**Code Enforcement Case Resolution.** % of Code Enforcement issues reported that were corrected with a rating of "Strongly Agree" or "Agree" *(Code Enforcement)*	46%	50%	50%	50%	65%
	PM 1.2.3	**General Code Program Case On-Time Resolutions** *% of General Code Program cases resolved within processing time targets (Code Enforcement)*	66%	68%	62%	68%	75%
	PM 1.2.4	**Library Facility Safety Rating.** % of customers rating library facility safety as "Good" or "Very Good" *(Library)*	90%	90%	90%	90%	92%

[1] In 2025-2026, in response to feedback from the Parks and Recreation Commission and Neighborhood Services & Education Committee, PRNS piloted a park condition assessment (PCA) score in fall 2025 using a more rigorous assessment model. Under the previous model, a passing score was 80% and now it is 95%. The pilot was successful; PRNS will use the model going forward, beginning with the 2025-2026 Estimate.

CITY SERVICE AREA

NEIGHBORHOOD SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: WELCOMING AND VIBRANT NEIGHBORHOODS AND PUBLIC LIFE

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
2.1 Build and activate vibrant spaces for people to celebrate identity and community	*PM 2.1.1.*	**Public Life Identify and Belonging.** % of participants in public life programs reporting an increase in their sense of identity and belonging *(PRNS)*	89%	75%	90%	92%	80%
	PM 2.1.2	**Public Life Community Building.** % of participants in public life programs reporting an increase in community interactions *(PRNS)*	83%	75%	85%	87%	80%
2.2 Cultivate welcoming neighborhoods and public facilities	*PM 2.2.1*	**Disability Participant Connection Rating**. % of participants with disabilities who benefit from community center resources *(PRNS)*	N/A[1]	N/A[1]	82%	75%	75%
	PM 2.2.2	**Library Service Quality Rating.** % of customers rating the quality of library services as "Good" or "Very Good" *(Library)*	95%	95%	95%	96%	96%
	PM 2.2.3	**Code Enforcement Customer Service Rating.** % of customers who feel they received courteous treatment and timely service from their interaction with Code Enforcement staff *(Code Enforcement)*	55%	52%	55%	55%	65%
	PM 2.2.4	**Animal Care Customer Service Rating.** % of residents rating the City providing animal control services as "Good" or "Better" *(ACS)*	44%	50%	45%	50%	50%

[1] New PRNS performance measure; data collection and reporting begins with the 2025-2026 Estimate in the 2026-2027 Proposed Budget.

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: EQUITABLE ACCESS TO COMMUNITY OPPORTUNITIES TO FLOURISH

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
3.1 Connect people to the learning resources they need	*PM 3.1.1*	**Library Customer Service Rating**. % of Library customers rating staff assistance as "Good" or "Very Good" *(Library)*	96%	95%	95%	96%	95%
	PM 3.1.2	**Code Enforcement Customer Service Rating.** % of customers who "Agree" or "Strongly Agree" that Code Enforcement staff are responsive and helpful *(Code Enforcement)*	57%	54%	57%	57%	70%
	PM 3.1.3	**Library Technology Access Rating.** % of customers who report using Library technology (computers, internet access, Wi-Fi, etc.) and were satisfied with the technology *(Library)*	97%	97%	97%	97%	97%
3.2 Strengthen communities and enrich lives through education, literacy, play, health, and youth empowerment	*PM 3.2.1*	**Recreation Physical Activity Rating.** % of recreation program participants reporting an increase in their physical activity level to at least 2.5 hours (150 minutes) per week *(PRNS)*	82%	75%	71%	75%	75%
	PM 3.2.2	**Older Adult Independent Living Rating.** % of participants rating City program effectiveness at helping older adults that live on their own, as "Good" or "Excellent" *(PRNS)*	82%	80%	80%	80%	80%
	PM 3.2.3	**Library Program Satisfaction Rating.** % of customers who participate in a program and were satisfied with programming *(Library)*	92%	76%	92%	92%	92%
	PM 3.2.4	**Youth Empowerment Purpose Rating.** % of Youth Empowerment Alliance (Bringing Everyone's Strengths Together (BEST)) participants who feel a sense of belonging/sense of purpose with a rating of "Often" or "Always" *(PRNS)*	76%	80%	80%	80%	85%

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 4: HOUSING SECURITY THROUGH SUPPORTIVE SOLUTIONS

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
4.1: Prevent people from entering or returning to homelessness	*PM 4.1.1*	**Homelessness Outreach Program Exits.** % of individuals engaging in outreach that exit to shelter or permanent housing destinations (Housing)	33%	95%	62%	70%	95%
4.2 Provide support services and access to the temporary and interim housing system	*PM 4.2.1*	**Homelessness Program Occupancy Rate.** % occupancy of all Temporary and Interim Housing throughout the system (Housing)	94%	95%	95%	95%	95%
	PM 4.2.2	**Clients Entering Permanent Housing.** % of clients that exited to permanent housing for all San José-funded programs (Housing)	44%	37%	43%	41%	41%
	PM 4.2.3	**City Shelter Unit Vacancy Duration.** Average days per unit that a unit is not available for occupancy [1] (Housing)	37	14	28	24	7

[1] Vacancy is defined as a status of inactive, offline, awaiting maintenance or inspection, or in-maintenance.

Neighborhood Services CSA-Level Data Sources

Identifier	Data Source
PM 1.1.1	Park Condition Assessment Score
PM 1.1.2	PRNS Data Systems (App Order, SJ311, Survey123)
PM 1.1.3	Annual Code Enforcement Customer Survey
PM 1.1.4	Library Customer Satisfaction Survey
PM 1.2.1	Chameleon Database Kennel Statistics Report
PM 1.2.2	Annual Code Enforcement Customer Survey
PM 1.2.3	Code Enforcement Division Dashboard Crystal Report
PM 1.2.4	Library Customer Satisfaction Survey
PM 2.1.1	PRNS Public Life Survey
PM 2.1.2	PRNS Public Life Survey
PM 2.2.1	PRNS Recreation Survey
PM 2.2.2	Library Customer Satisfaction Survey
PM 2.2.3	Annual Code Enforcement Customer Survey
PM 2.2.4	City Auditor's Annual Report on City Services
PM 3.1.1	Library Customer Satisfaction Survey
PM 3.1.2	Annual Code Enforcement Customer Survey
PM 3.1.3	Library integrated library system
PM 3.2.1	PRNS Recreation Survey
PM 3.2.2	PRNS Recreation Survey
PM 3.2.3	Library Programming Patron Survey
PM 3.2.4	BEST Annual Report
PM 4.1.1	Clarity Human Services Homeless Management Information System (HMIS)
PM 4.2.1.	Clarity Human Services Homeless Management Information System (HMIS)
PM 4.2.2	Clarity Human Services Homeless Management Information System (HMIS)
PM 4.2.3	Interim Shelter Management Dashboard

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
HOUSING DEPARTMENT			
• Homelessness Response Division Staffing (Continuation)	3.00	622,336	0
• PATH-CITED Grant Funded Staffing	2.50	604,370	0
• Enhanced Engagement Program Staffing (Continuation)	3.00	476,241	0
• Homlessness Response and Housing Production Staffing Alignment	0.85	204,368	0
• Recruitment Staffing	(0.25)	(51,412)	0
Subtotal	9.10	1,855,903	0
LIBRARY DEPARTMENT			
• Library Facilities Administrative Staffing	0.00	0	0
• Mount Pleasant Bridge Branch Library Staffing Funding Shift	0.00	0	(65,715)
• Biblioteca Latinoamericana Facility Renovation Closure		(820,823)	(708,581)
• California Room Public Access Closure	(2.90)	(388,159)	(388,159)
• Library Analytics Team Staffing	(1.00)	(232,615)	(232,615)
Subtotal	(3.90)	(1,441,597)	(1,395,070)
PARKS, RECREATION AND NEIGHBORHOOD SERVICES DEPARTMENT			
• Fee Program Updates	11.86	1,465,185	1,465,185
• Alum Rock Park and City Parks/Open Spaces Vegetation Management		1,000,000	1,000,000
• Animal Care and Services - Trap, Neuter, and Release and Spay and Neuter Services Expansion		289,000	289,000
• New Parks and Recreation Facilities Operations and Maintenance		126,000	126,000
• Park Concerns SJ311 Integration		50,000	50,000
• Vehicle Operations and Maintenance (Fleet Staffing)		14,000	14,000
• San José Youth Empowerment Alliance: Safe School Campus Initiative Staffing	0.00	0	0
• San José Opioid Response Funding Shift	0.00	0	(68,543)
• Beautify San José Program Optimization	(1.00)	(4,176,684)	(4,176,684)
• San José Recreation Preschool Program	(4.58)	(439,240)	(439,240)
• Nonfunctional Turf Removal Water Savings		(384,000)	(384,000)
• Parks Maintenance Redistricting, Citywide Sports Programming, and Lease Management	(5.47)	(332,031)	(332,031)
• Viva CalleSJ and Viva Parks Events	(0.25)	(301,686)	(301,686)
• Park Ranger Vacancy Savings		(300,000)	(300,000)
• Community Center Parks Facilities Supervisor	(1.00)	(184,949)	(184,949)
• Recruitment Staffing	(1.00)	(170,398)	(170,398)
• PRNS Revenue Collection Staffing Reduction	(1.00)	(109,899)	(109,899)
• Happy Hollow Foundation		(93,325)	(93,325)
• Parks Maintenance - Shift to In-House Fence Repairs		(25,798)	(25,798)
Subtotal	(2.44)	(3,573,825)	(3,642,368)

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT			
• Enhanced Vacant/Dangerous Downtown Building Inspection (Continuation)		175,000	175,000
• Weed Abatement Contract Services		60,000	60,000
• Vehicle Operations and Maintenance (Fleet Staffing)		10,000	10,000
• Recruitment Staffing	(0.10)	(17,041)	(17,041)
Subtotal	(0.10)	227,959	227,959
Subtotal Departments	2.66	(2,931,560)	(4,809,479)
CITY-WIDE EXPENSES			
• BeautifySJ Grants		50,000	50,000
• BEST Grant Program		(141,611)	(141,611)
• Interim Housing Construction and Operations		(1,250,000)	(1,250,000)
• San José Youth Empowerment Alliance: Safe School Campus Initiative Staffing		43,783	43,783
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: Patty O'Malley Artificial Turf Field Replacement		1,600,000	1,600,000
• Earmarked Reserves: Children and Youth Services Master Plan Implementation Reserve		500,000	500,000
• Earmarked Reserves: New Parks and Recreation Facilities Operations and Maintenance Reserve		(126,000)	(126,000)
Subtotal Other Changes	0.00	**676,172**	**676,172**
Total Proposed Budget Changes	**2.66**	**(2,255,388)**	**(4,133,307)**

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CITY SERVICE AREA

PUBLIC SAFETY

MISSION

Engage the community to partner on public safety and emergency prevention, mitigation, preparedness, response, and recovery

Primary Partners

City Manager's Office

Fire

Independent Police Auditor

Police

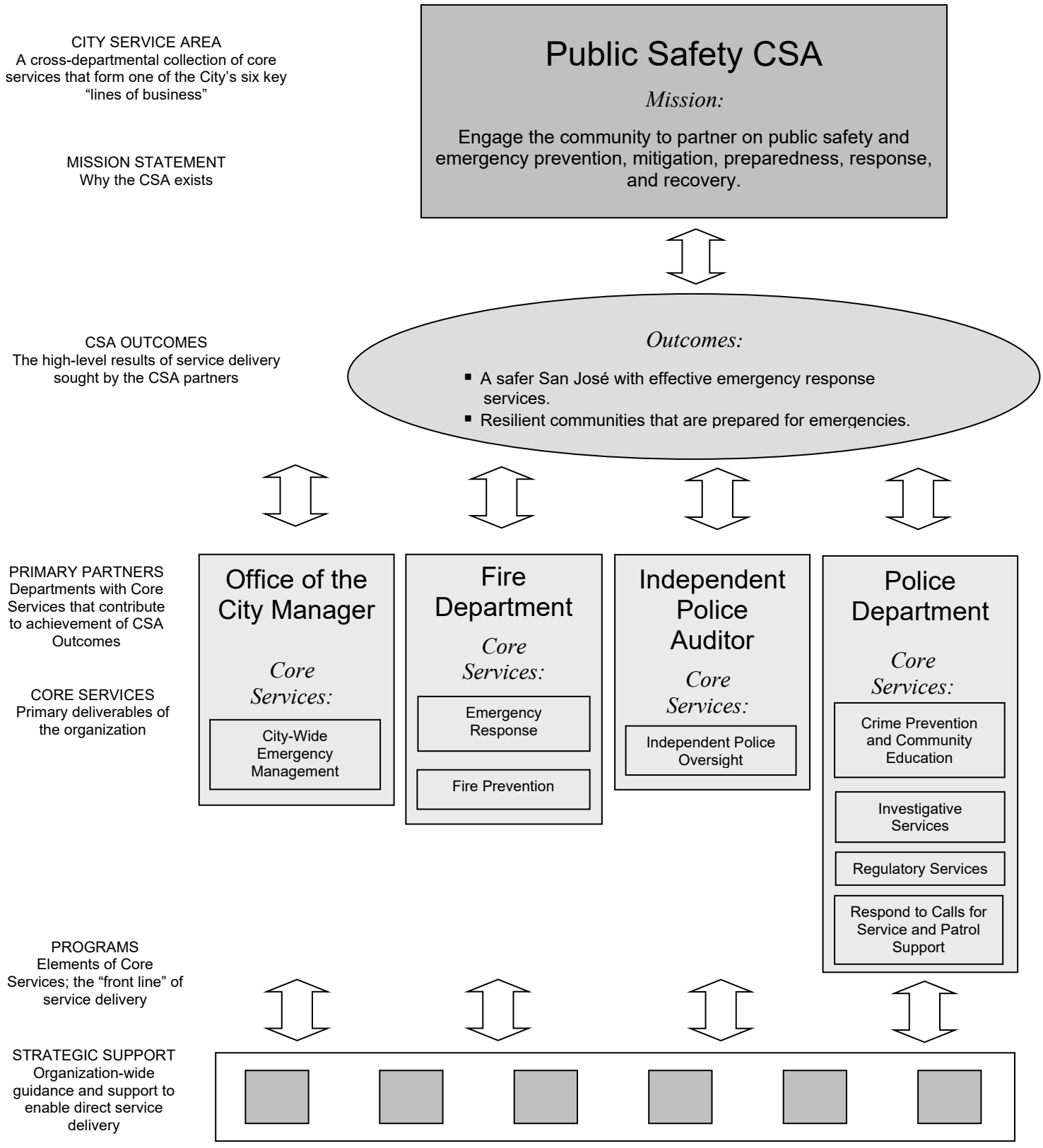
CSA OUTCOMES

- ❒ A safer San José with effective emergency response services
- ❒ Resilient communities that are prepared for emergencies

CITY SERVICE AREA

PUBLIC SAFETY

SERVICE DELIVERY FRAMEWORK



CITY SERVICE AREA

PUBLIC SAFETY

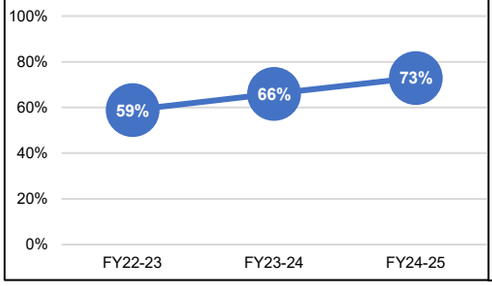
COMMUNITY INDICATORS DASHBOARD

OUTCOME 1: A SAFER SAN JOSE WITH EFFECTIVE EMERGENCY RESPONSE SERVICES

City Safety Perception

% of residents rating how safe San José is as a place to live as "Very Safe" or "Somewhat Safe" (Police)

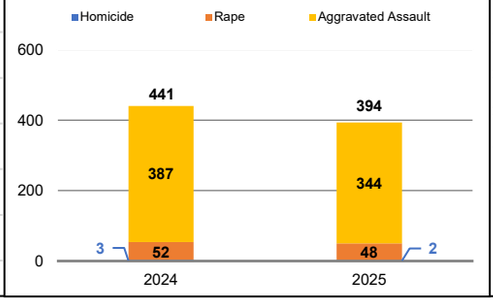
Source: Community Opinion Survey



Crimes Against Persons by Type

Rate per 100,000 persons (Police)

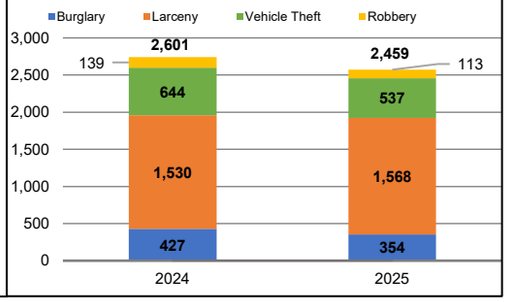
Source: FBI-NIBRS



Crimes Against Property by Type

Rate per 100,000 persons (Police)

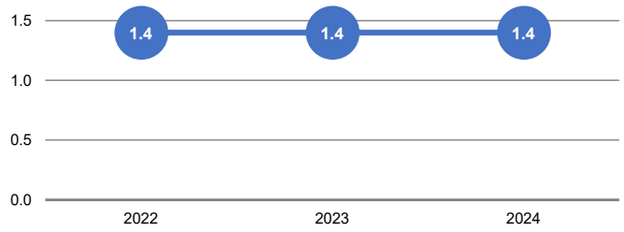
Source: FBI-NIBRS[1]



Police Use of Force

Rate of use of force incidents per 100,000 people by race/ethnicity of civilians involved (Police)[2]

Source: Bay Area Equity Atlas



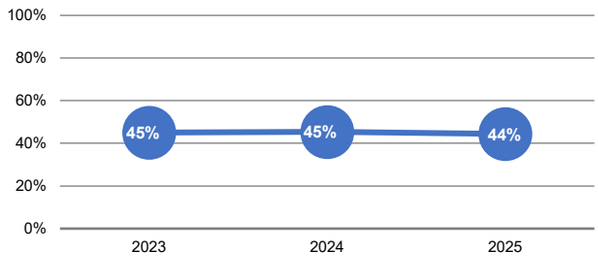
Race/Ethnicity	2022	2023	2024
Asian American	0.5	0	0.8
Black	3.6	7.2	0
Latino/a/x	1.9	3.9	3.2
People of color	1.2	1.8	1.7
White	2.1	0	0.4

OUTCOME 2: RESILIENT COMMUNITIES THAT ARE PREPARED FOR EMERGENCIES

Emergency Alert System Registration

% of households registered to receive Alert SCC emergency notifications (OEM)

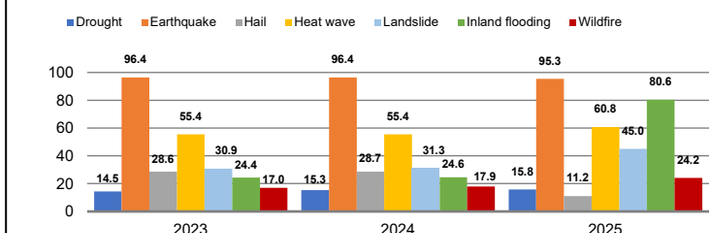
Source: Santa Clara County



National Risk Index by Disaster Type

A measurement of "expected annual loss" x "social vulnerability" / "community resilience" = "risk index ((0 (lowest possible value) to 100 (highest possible value)) (OEM)[3]

Source: FEMA



[1] In previous reports, robbery was categorized as a crime against a person; however, it is formally classified as a crime against property under NIBRS reporting standards.

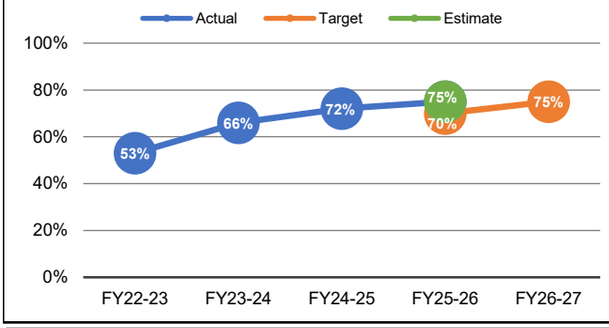
[2] The department anticipates the release of 2025 datasets later this year.

[3] Inland Flooding. While previous iterations focused solely on riverine flooding, the 2025 metric was expanded to include all inland flooding; this change in scope accounts for the year-over-year increase.

PERFORMANCE MEASURE DASHBOARD

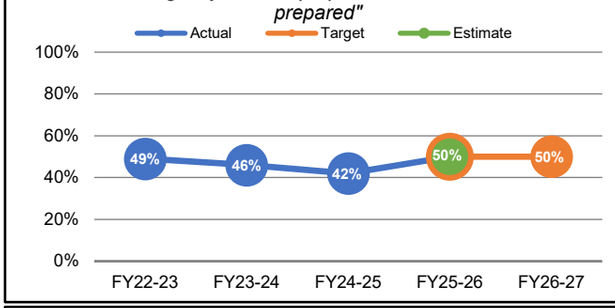
Quality of Fire Protection and Prevention

% of residents surveyed who rate the quality of fire protection and prevention as "good" or "excellent"



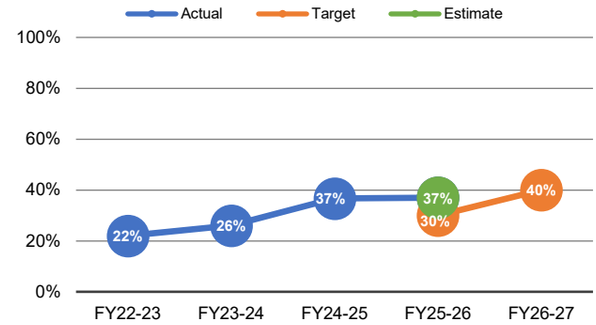
Resident Household Emergency Preparedness

% of residents surveyed rating of household preparedness for a natural disaster of other citywide emergency as "well prepared" or "somewhat prepared"



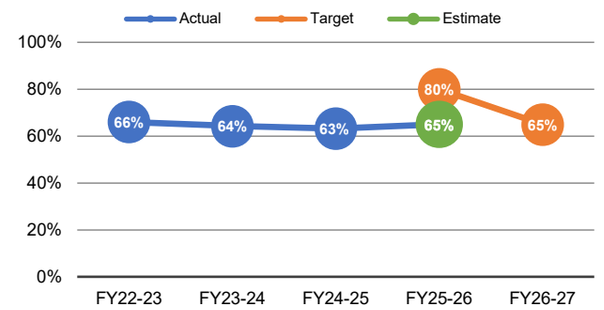
Quality of Police Protection

% of residents surveyed who rate the quality of police protection in their neighborhood as "good" or "excellent"



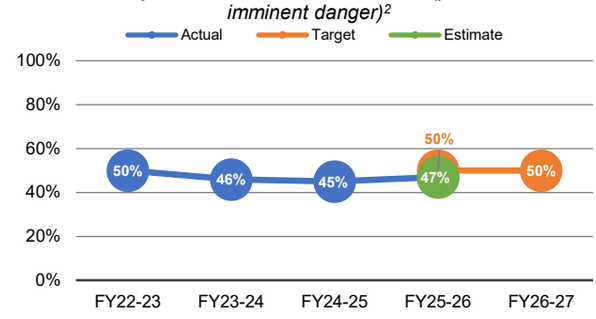
Fire Emergency Responsiveness

% of time the initial responding Fire unit arrives to Priority 1 calls in less than eight minutes (red lights/siren)[1]



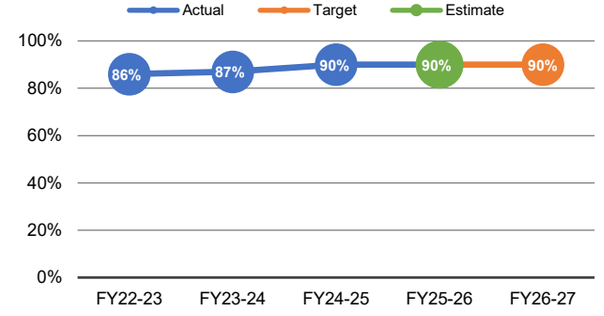
Police Emergency Responsiveness

% of time the first dispatched Police unit arrives to Priority 1 calls in less than six minutes (present or imminent danger)[2]



Police Emergency Calls for Service and Reports

% of 9-1-1 calls that are answered in less than 15 seconds[3]



[1] The FY 2026-2027 target reflects current resource availability rather than the full industry standard. For context, NFPA 1710 establishes rigorous benchmarks: 40-second alarm answering (99%), 106-second alarm processing (99%), and a 4-minute travel time (90%)—resulting in a first-due engine arrival window of 7.4 to 7.76 minutes.

[2] Priority 1 calls may be immediately updated to a lesser priority if incident circumstances change. This measure currently reports the Police Department's response time of all calls initially assigned Priority 1 (including those subsequently downgraded), leading to a substantial decrease in the reported metric. The Police Department intends to address this reporting issue in the next fiscal year's report.

[3] These are 9-1-1 calls that are answered initially by the primary Public Safety Answering Point (PSAP) (dialed to 9-1-1) and include calls that will be transferred to Fire or other agencies after the initial contact. The California Governor's Office of Emergency Services standard is to answer 90% of calls for service within 15 seconds.

CITY SERVICE AREA

PUBLIC SAFETY

BUDGET SUMMARY

CSA Priorities/Expected 2026-2027 Service Delivery

- Respond to calls for service of essential emergency services (patrol, fire suppression, rescue, and emergency medical services) in a safe, efficient, and effective manner.
- Continue regional all-hazard emergency management planning, training, and exercises.
- Provide a police misconduct complaint process that is thorough, objective, and fair.
- Effectively investigate crimes and seek successful prosecution of suspects.
- Provide expanded enforcement of Municipal Code violations related to neighborhood quality of life issues and coordinate across departments to implement the Code of Conduct for encampments.
- Advance the deployment and use of technology to enhance the delivery of public safety services where possible.

2026-2027 Key Budget Actions







- Adds one-time funding of $750,000 for a next-generation artificial intelligence (AI) reporting automation platform that is currently being piloted by the Police Department.
- Defers the opening of the Police Training Center for two years, from the original anticipated opening in Spring 2026, but will be reevaluated as part of the 2027-2028 Proposed Budget cycle and prioritized for activation earlier than 2028-2029 should budgetary conditions improve.
- Adds $915,000 to replace Police Department's equipment utilized by staff in Special Operations, Training, and Academy.
- Defers the opening of Fire Station 32 for two years, from the original anticipated opening of May 2026, but will be reevaluated as part of the 2027-2028 Proposed Budget cycle and prioritized for activation earlier than 2028-2029 should budgetary conditions improve.
- Adds 3.0 Firefighter positions and eliminates 3.0 Fire Engineer positions to support the transition of a Type 6 wildland engine strategy to a Type 3 engine response.
- Adds 1.0 Fire Captain, 1.0 Fire Engineer, and 1.0 Firefighter positions, through June 30, 2027, and one-time non-personal/equipment funding of $116,000 to implement the Community Paramedicine Pilot Program funded by the San José Opioid Response Fund.
- Adds 1.0 Nurse and 1.0 Fire Equipment Technician positions and eliminates 1.0 vacant Nurse Practitioner position to optimize the Department's Emergency Medical Services duties, device inventory control, and overall program management.
- Reduces non-personal/equipment funding by $350,000 in the City Manager's Office of Emergency Management by scaling back enhanced features of evacuation modeling software to focusing solely on core evacuation functions.

CITY SERVICE AREA

PUBLIC SAFETY

OVERVIEW

*City Service Area Budget Summary***

Dollars by Core Service *	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Office of the City Manager				
City-Wide Emergency Management	4,211,723	3,997,276	3,487,364	3,142,364
Fire Department				
City-Wide Emergency Management	8,442	0	0	0
Emergency Response	290,494,791	279,592,725	292,930,383	288,002,740
Fire Prevention	9,050,684	10,029,127	10,379,578	10,416,002
Strategic Support - Other - Public Safety	21,130,498	23,973,844	20,532,837	21,938,427
Strategic Support - Public Safety	8,470,218	9,032,363	8,684,176	9,235,162
Independent Police Auditor's Office				
Independent Police Oversight	1,347,326	1,528,398	1,548,089	1,548,089
Strategic Support - Other - Public Safety	13	0	0	0
Strategic Support - Public Safety	1,262	136,943	139,046	139,046
Police Department				
Crime Prevention and Community Education	6,918,073	8,179,998	7,382,146	6,077,875
Investigative Services	102,106,282	107,095,455	115,591,364	114,648,464
Regulatory Services	4,429,600	4,544,814	4,389,872	4,434,872
Respond To Calls For Service and Patrol Support	369,946,218	391,968,844	417,484,476	420,870,997
Strategic Support - Other - Public Safety	22,670,295	27,450,512	11,412,340	11,412,340
Strategic Support - Public Safety	72,052,162	69,782,705	69,609,451	69,642,251
Public Works Department				
Strategic Support - Other - Public Safety	88,506	200,000	0	0
Total CSA	**$912,926,093**	**$937,513,004**	**$963,571,122**	**$961,508,629**
Authorized Positions	**2,581.74**	**2,594.24**	**2,568.24**	**2,541.26**

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

** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

OVERVIEW

Budget Dollars at Work: Performance Goals

The Public Safety CSA encompasses City services focusing on crime, fire, emergency medical, hazardous, and disaster-related needs of the San José community. The CSA partners continuously evaluate public safety data to assess operational changes necessary to resolve crime, medical, or fire-related situations successfully. Despite the challenges of limited staff and increased demand for service, the CSA is engaged in an ongoing effort to organize and analyze data in the development of resource deployment strategies.

OUTCOME 1: A SAFER SAN JOSÉ WITH EFFECTIVE EMERGENCY RESPONSE SERVICES

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.1: Sustain a vibrant, safe community	*PM 1.1.1*	**Quality of Fire Protection and Prevention.** % of residents surveyed who rate the quality of fire protection and prevention services as "good" or "excellent." *(Fire)*	72%	70%	N/A[1]	75%	80%
	PM 1.1.2	**Quality of Emergency Medical Services.** % of residents surveyed who rate the quality of Emergency Medical Services (EMS) as "good" or "excellent" *(Fire)*	51%	60%	N/A[1]	75%	80%
	PM 1.1.3	**Resident Household Emergency Preparedness.** % of residents rating of household preparedness for a natural disaster or other citywide emergency as "well prepared" or "somewhat prepared." *(OEM)*	42%	50%	N/A[1]	50%	55%
	PM 1.1.4	**Quality of Police Protection.** % of residents surveyed who rate the providing of police protection in their neighborhood as "good" or "excellent." *(Police)*	37%	30%	N/A[1]	40%	45%
	PM 1.1.5	**Quality of Traffic Law Enforcement.** % of residents surveyed who rate the enforcing of traffic laws to protect the safety of pedestrians, cyclists, and drivers as "good" or "excellent." *(Police)*	34%	35%	N/A[1]	35%	40%
SG 1.2: Build community trust through responsive safety services	*PM 1.2.1*	**Fire Emergency Responsiveness.** % of time the initial responding Fire unit arrives to calls:					
		- Priority 1 (red lights/sirens; within eight minutes)[2]	63%	80%	65%	65%	80%
		- Priority 2 (no red lights/sirens; within 13 minutes) *(Fire)*	89%	90%	90%	90%	90%
	PM 1.2.2	**Emergency Medical Services Responsiveness.** % of Emergency Medical Services (EMS) response time compliance:					
		- EMS Code 3 (red lights/sirens; within eight minutes)	86%	95%	95%	95%	95%

[1] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget document; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

[2] The 2026-2027 Target reflects current resource availability rather than the full industry standard. For context, NFPA 1710 establishes rigorous benchmarks: 40-second alarm answering (99%), 106-second alarm processing (99%), and a 4-minute travel time (90%)—resulting in a first-due engine arrival window of 7.4 to 7.76 minutes.

OVERVIEW

Strategic Goals		CSA Performance - Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
		- EMS Code 2 (no red lights/sirens; within 12 minutes) *(Fire)*	94%	95%	95%	95%	95%
SG 1.2: Build community trust through responsive safety services	*PM 1.2.3*	**Police Emergency Responsiveness.** % of time first dispatched Police unit arrives to calls: - Priority 1 (present or imminent danger; less than six minutes)[3]	45%	50%	47%	50%	60%
		- Priority 2 (actual or potential injury or property damage; less than 11 minutes) *(Police)*	35%	40%	34%	40%	60%
		Police Emergency Calls for Service and Reports: - % of 9-1-1 calls that are answered less than 15 seconds[4]	90%	90%	90%	90%	90%
	PM 1.2.4	- Average time in which emergency calls, including 9-1-1 calls, are answered (in seconds)	5.8	6.50	4.5	6.50	6.50
		- Average time in which Telephone Report Center (TRAC) calls are answered (in minutes) *(Police)*	1.9	5.00	1.4	5.00	5.00
SG 1.3: Safeguard life, property, and the environment	*PM 1.3.1*	**Change in Crime Incidents.** % change in incidents of selected crime types (change in # of incidents)[5] *(Police and Fire)*	-5.73%	96%	-10.23%	-10.74%	-13.06%
	PM 1.3.2	**Police Case Clearance Rate.** % of FBI Uniform Crime Reporting crime cases cleared[6] *(Police)*	26.47%	101%	27.89%	29.28%	35.59%
	PM 1.3.3	**Motor Vehicle Collisions.** Ratio of motor vehicle collisions by type per 1,000 residents *(Police)*	0.307	1.85	1.16	1.0	0.9
		Emergency Plans and Annexes Status: - % of plans and annexes identified in the Emergency Operations Plan that have been completed	90%	90%	90%	95%	100%
	PM 1.3.4	- % of Emergency Operations Plans-related procedures, protocols, operating guides that have been completed	80%	80%	85%	90%	100%
		- % of plans that are current (updated within the past 5 years) *(OEM)*	100%	100%	100%	100%	100%

[3] Priority 1 calls may be immediately updated to a lesser priority if incident circumstances change. This measure currently reports the Police Department's response time of all calls initially assigned Priority 1 (including those subsequently downgraded), leading to a substantial decrease in the reported metric.

[4] These are 9-1-1 calls that are answered initially by the primary Public Safety Answering Point (PSAP) (dialed to 9-1-1) and include calls that will be transferred to Fire or other agencies after the initial contact. The California Governor's Office of Emergency Service standard is to answer 90% of calls for service within 15 seconds.

[5] The implementation of the National Incident Based Reporting System (NIBRS) in April 2023 expanded crime types to Crime Stats & Maps | San Jose Police Department, CA. Following an overestimation in the 2025-2026 Target, the 2026-2027 Target has been adjusted in relation to 2024-2025 Actuals.

[6] The NIBRS definition of clearance rates is comprised of adult and juvenile arrests and citations. Following an overestimation in the 2025-2026 Target, the 2026-2027 Target has been adjusted in relation to 2024-2025 Actuals.

OVERVIEW

Budget Dollars at Work: Performance Goals

Residents are a critical link to community disaster preparedness in areas where first response may be several minutes away, requiring some self-reliance at the neighborhood level. The goal of crime, fire, and life safety education is to provide awareness and informational services to the community through multiple programs, including Police oversight, Police Volunteer Program, Neighborhood Watch, and Community Emergency Response Team (CERT) program.

OUTCOME 2: RESILIENT COMMUNITIES THAT ARE PREPARED FOR EMERGENCIES

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.1: Prepare the community for emergencies through public safety education.	*PM 2.1.1*	**Types of Fire Safety Incidents.** % change in fire safety incidents by type:					
		- Wildfire preparedness	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
		- Fire prevention in the home	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
		- Fire safety equipment	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
		- Seasonal and holiday safety *(Fire)*	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
	PM 2.1.2	**Police Call Service Types.** % of Police calls for service by type:					
		- Online Reports	1.8%	2.0%	1.2%	2.0%	5.0%
		- Field Events (e.g., traffic stops)	6.5%	8.0%	8.5%	8.0%	10.0%
		- Non-Emergency Calls	38.1%	30.0%	30.7%	30.0%	25.0%
		- Emergency Calls (e.g., 9-1-1 calls) *(Police)*	53.6%	50.0%	59.1%	60.0%	60.0%
SG 2.2: Cultivate community-led partnerships to respond to emergencies.	*PM 2.2.1*	**Community Emergency Response Team Certifications.** % of Community Emergency Response Team (CERT) enrollees that graduate with a certification to provide basic disaster response (*OEM)*	52.1%	60%	60%	75%	85%
SG 2.3: Mitigate and prepare for disasters and crime through planning and prevention.	*PM 2.3.1*	**Completed Disaster Service Worker Trainings.** % of all City employees completing required disaster service worker trainings:					
		- State Standardized Emergency Management System (SEMS) Accepted Courses of Instruction (ACI) training	91%	95%	60%	90%	90%
		- National Incident Management System (NIMS) training *(OEM)*	91%	95%	60%	90%	90%

[1] Data was not tracked and/or reported in 2024-2025. To ensure accurate data collection and measurement, the Fire Department is evaluating different methods. Targets are anticipated to be developed in 2026-2027 for the 2027-2028 Proposed Budget.

PUBLIC SAFETY

OVERVIEW

Public Safety CSA-Level Data Sources	
Identifier	**Data Source**
PM 1.1.1	City of San José Community Survey Report -2024
PM 1.1.2	City of San José Community Survey Report -2024
PM 1.1.3	City of San José Community Survey Report -2024
PM 1.1.4	City of San José Community Survey Report -2024
PM 1.1.5	City of San José Community Survey Report -2024
PM 1.2.1	Firehouse and Computer Aided Dispatch System CAD
PM 1.2.2	Firehouse and Computer Aided Dispatch System CAD
PM 1.2.3	Computer Aided Dispatch System (CAD)
PM 1.2.4	Computer Aided Dispatch System (CAD)
PM 1.3.1	National Incident Based Reporting System (NIBRS)
PM 1.3.2	National Incident Based Reporting System (NIBRS)
PM 1.3.3	Versadex – records management system
PM 1.3.4	Internal Tracker
PM 2.1.1	Fire house and Computer Aided Dispatch System CAD
PM 2.1.2	Computer Aided Dispatch System (CAD)
PM 2.2.1	Class Registrations; Tracking Spreadsheets
PM 2.3.1	Disaster Service Worker Reports

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
FIRE DEPARTMENT			
• Community Paramedicine Pilot Program	3.00	764,298	0
• Electronic Patient Care Tablet Replacements		315,000	315,000
• Vehicle Operations and Maintenance (Fleet Staffing)		45,000	45,000
• Fire Station 32 Two-Year Deferral	(14.00)	(4,707,105)	(4,707,105)
• Wildland Engine Staffing Reconfiguration		(491,244)	(491,244)
• Emergency Medical Services Staffing	1.00	(219,844)	(219,844)
• Fire Administration Staffing	0.92	(118,882)	(118,882)
• Development and Non-Development Fee Program Staffing	(0.11)	(43,158)	(43,158)
Subtotal	(9.19)	(4,455,935)	(5,220,233)
OFFICE OF THE CITY MANAGER			
• Office of Emergency Management - Disaster Preparedness and Emergency Response Modeling Software		(310,000)	(310,000)
• Office of Emergency Management - Computer Data Processing		(35,000)	(35,000)
Subtotal	0.00	(345,000)	(345,000)
OFFICE OF THE INDEPENDENT POLICE AUDITOR			
• NONE			
Subtotal	0.00	-	-
POLICE DEPARTMENT			
• Police Sworn Compensatory Time Buydown		1,900,000	1,900,000
• Bureau of Field Operations Overtime		1,000,000	1,000,000
• Police Department Equipment Replacement		915,000	915,000
• Artificial Intelligence Report Writing Tool		750,000	750,000
• Coyote and Guadalupe River Trail Patrol (Continuation)		650,000	650,000
• Automated License Plate Reader Cameras		420,000	420,000
• Mobile Data Computer Network and Active Directory Migration		300,000	300,000
• Vehicle Operations and Maintenance (Fleet Staffing)		138,000	138,000
• Sworn and Non-Sworn Backgrounding		100,000	100,000
• Unstaffed Unit Reduction	(10.00)	(3,098,862)	(3,098,862)
• Police Training Center Opening Two-Year Deferral		(778,000)	(778,000)
• Police Administration Building Front Lobby Hours - Friday Closure	(1.00)	(605,111)	(605,111)
• School Crossing Guard Program	(5.79)	(300,000)	(300,000)
• Bureau of Field Operations Administrative Staffing	(1.00)	(173,877)	(173,877)
Subtotal	(17.79)	1,217,150	1,217,150
Subtotal Departments	**(26.98)**	**(3,583,785)**	**(4,348,083)**

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
CITY-WIDE EXPENSES			
• NONE			
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: 911 Call Center Upgrades FF&E (Fire)		350,000	350,000
• Capital Contributions: Fire Station Alerting System Network		475,000	475,000
• Capital Contributions: Fire Station Privacy Enhancements		570,000	570,000
• Earmarked Reserves: Fire Equipment Replacement Sinking Fund Reserve		(475,000)	(475,000)
• Earmarked Reserves: Police Department Sworn Backfill Reserve		5,000,000	5,000,000
• Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		(915,000)	(915,000)
Subtotal Other Changes	**0.00**	**5,005,000**	**5,005,000**
Total Proposed Budget Changes	**(26.98)**	**1,421,215**	**656,917**

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES






To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality

Primary Partners

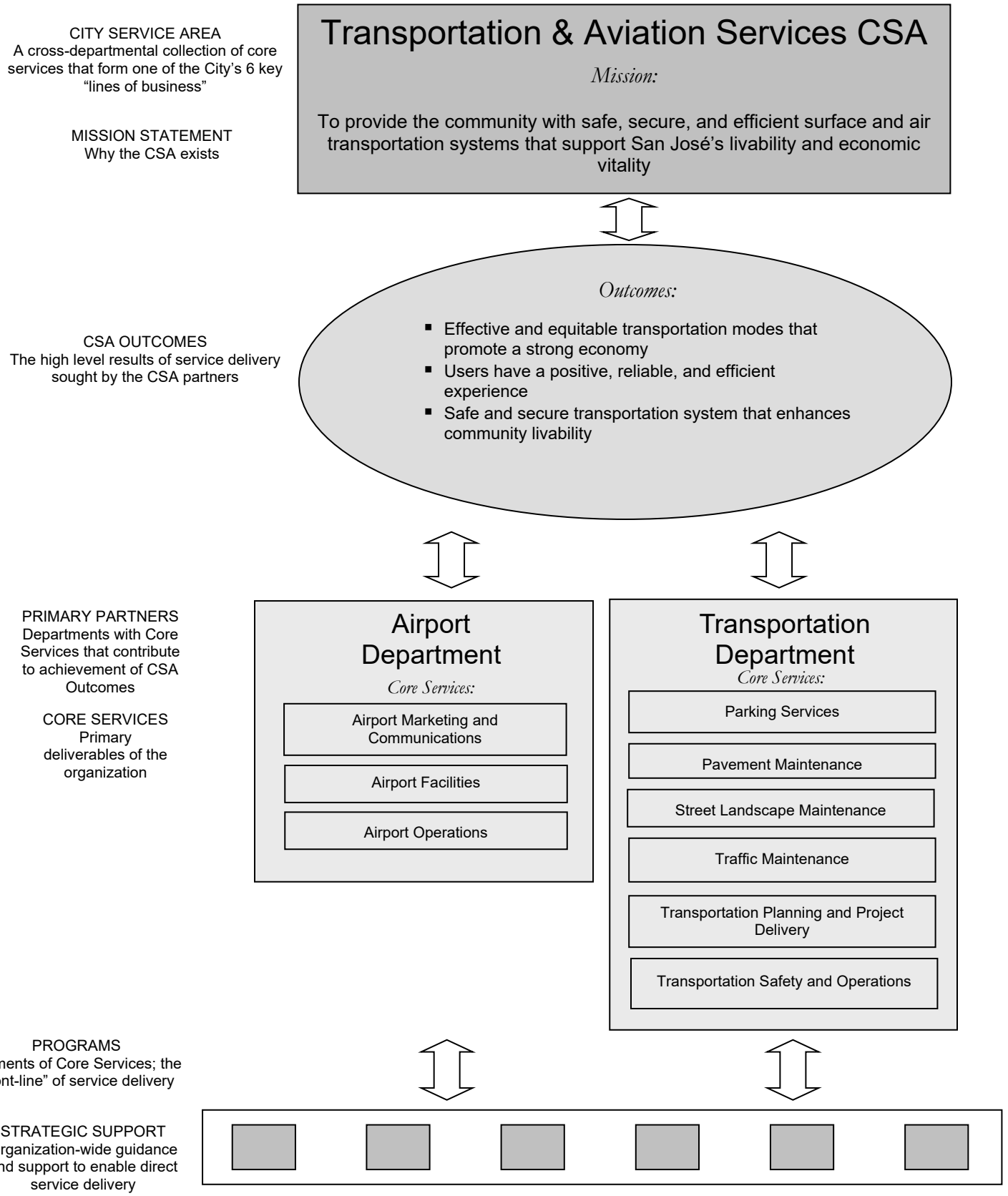
Airport

Transportation

CSA OUTCOMES

- ❑ Effective and equitable transportation modes that promote a strong economy
- ❑ Users have a positive, reliable, and efficient experience
- ❑ Safe and secure transportation system that enhances community livability

TRANSPORTATION AND AVIATION SERVICES

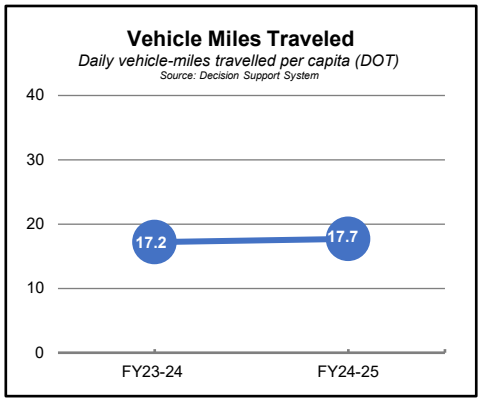


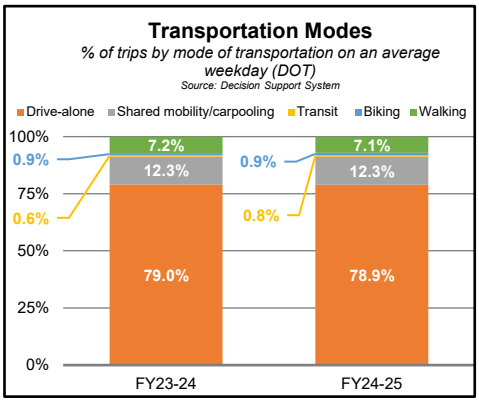
CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

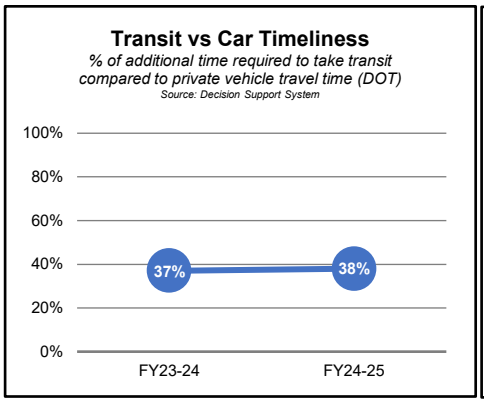
COMMUNITY INDICATORS DASHBOARD

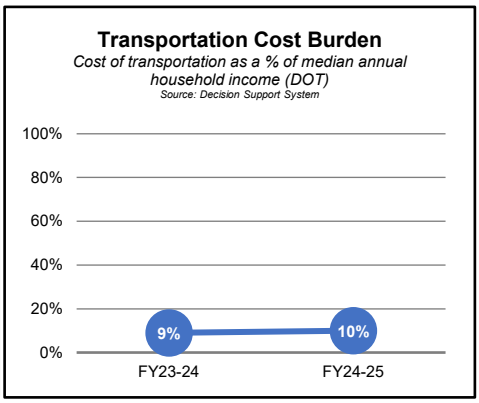
OUTCOME 1: EFFECTIVE AND EQUITABLE TRANSPORTATION MODES THAT PROMOTE A STRONG ECONOMY

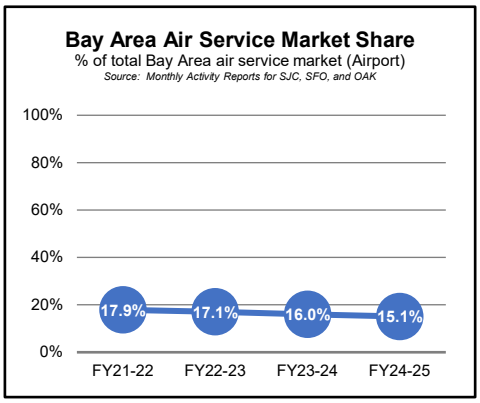




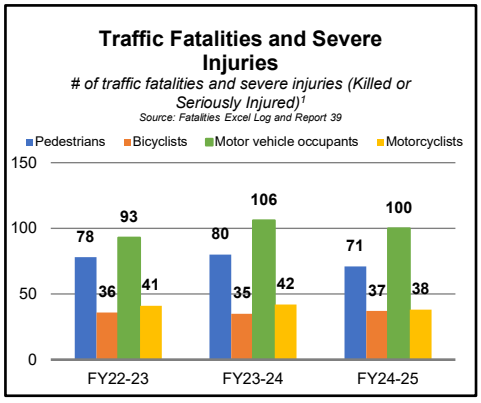
OUTCOME 2: USERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

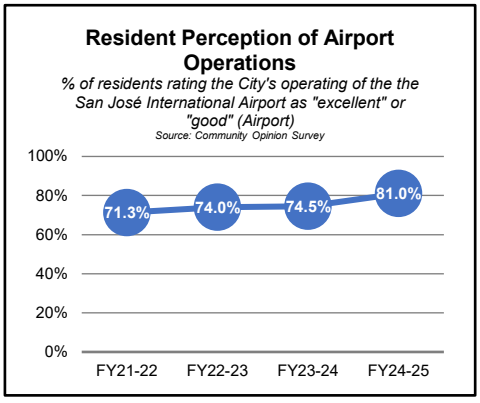






OUTCOME 3: A SAFE AND SECURE TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY



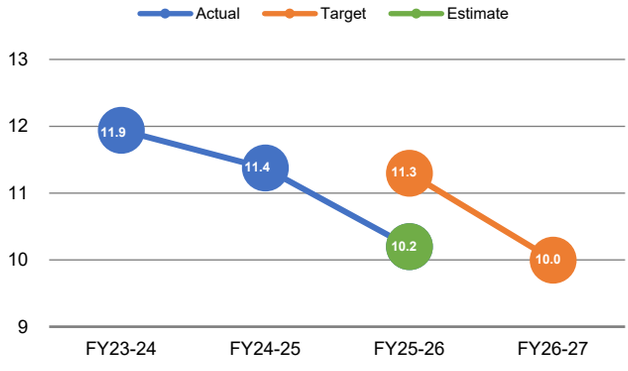


[1] FY24-25 is based on calendar year 2024 data.

PERFORMANCE MEASURE DASHBOARD

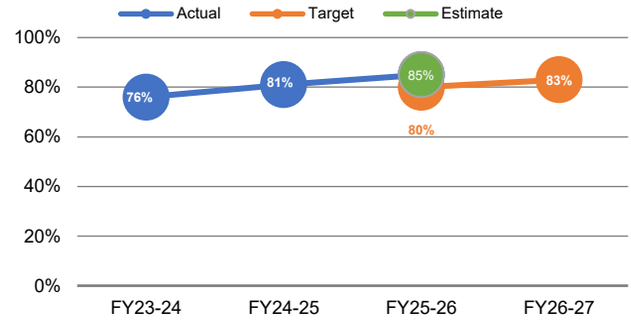
San José Airport Annual Passengers[1]

of total annual airport passengers in millions (Airport)



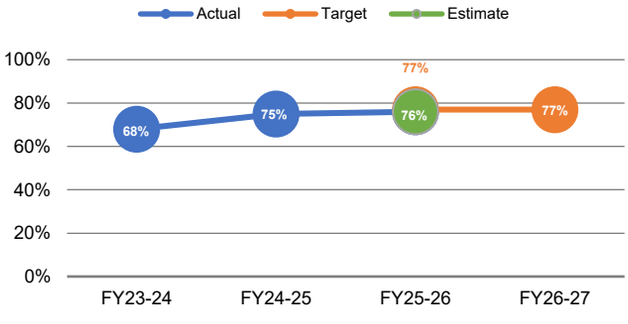
Passenger Perception of Airport Satisfaction

% of SJC passengers rating of overall satisfaction with the Airport as "very good" or "excellent" (Airport)



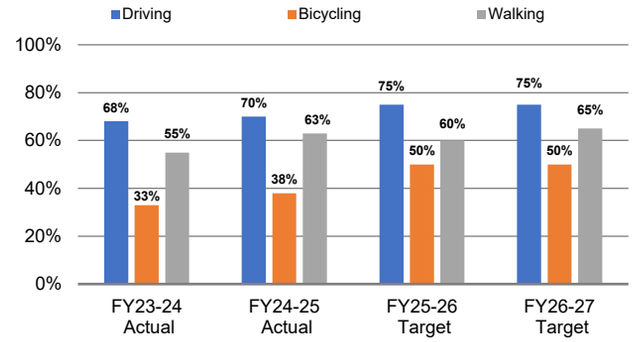
Passenger Perception of Airport Cleanliness

% of SJC passengers rating of overall satisfaction with the cleanliness of the Airport Terminals as "very good" or "excellent" (Airport)



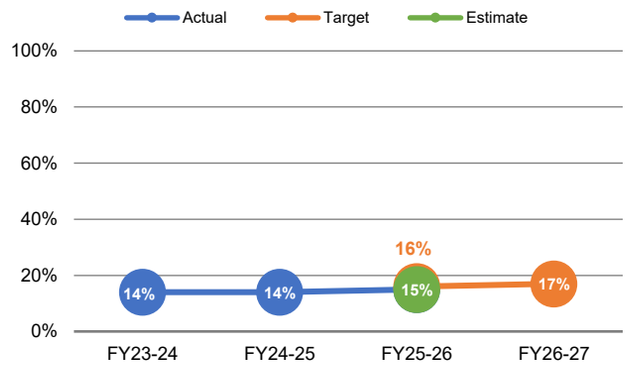
Resident Rating of Traffic Conditions[2]

% of residents rating traffic conditions as safe while driving, bicycling and walking (DOT)



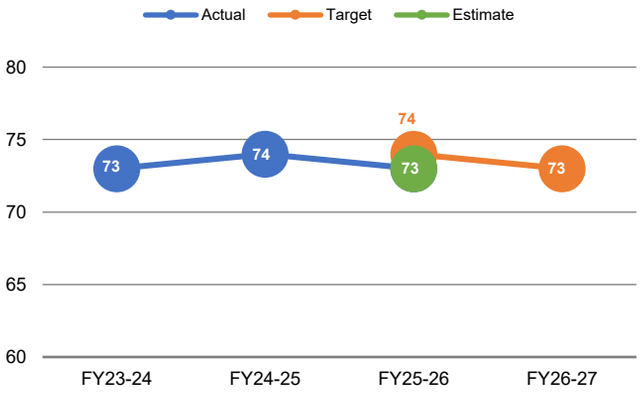
Bike Network Completion

% completion of San José's planned bike network (DOT)



Pavement Condition Index

Average Pavement Condition Index (PCI) rating (DOT)



[1] San José Airport Annual Passengers count replaces the prior San José Airport On-Time Flights metric included as a Community Indicator in the 2025-2026 Adopted Operating Budget.

[2] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget documents; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

CSA Priorities/Expected 2026-2027 Service Delivery

- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement. Prioritize the implementation of Vision Zero Action Plan strategies to reduce traffic fatalities.
- Continue work on implementing balanced, multimodal goals of the Envision San José 2040 General Plan to provide a transportation network for all users that is safe, efficient, and sustainable.
- Provide parking for business, retail, and event customers and employees in Downtown parking facilities, as well as parking compliance services in support of businesses and programs.
- Operate San José Mineta International Airport (SJC) efficiently while meeting all regulatory requirements for security and safety.
- Continue to drive to increase flights and passenger traffic while providing exceptional customer service with new, modern, up-to-date services and amenities.
- Continue to provide efficient and safe services for passengers, airlines, and tenants while ensuring regulatory compliance, prioritizing maintenance and operations, and providing cost-effective operation of the Airport's shared-use model.

2026-2027 Key Budget Actions

- Adds 1.0 Principal Engineer, 1.0 Staff Specialist, and 3.0 Parking and Traffic Control Officer (PTCO) positions to the Building and Structure Construction Tax Fund; deletes 1.0 Senior Transportation Specialist position from the General Fund; and shifts 1.0 Associate Engineer position and $600,000 in non-personal/equipment funding from the General Fund to the Building and Structure Construction Tax Fund to fully implement the Automated Speed Enforcement pilot program through June 30, 2031. Costs will be entirely offset by citation revenue and grant funds in the Building and Structure Construction Tax Fund.
- Adds 0.50 PTCO position and associated overtime and non-personal/equipment funding for the implementation and enforcement of higher parking rates and extended paid parking hours at meters in San José's Downtown core. This is expected to generate an additional $1.2 million in revenue for the General Purpose Parking Fund that will be transferred to the General Fund.
- Adds 1.0 PTCO position and associated overtime and non-personal/equipment funding, offset by General Fund and General Purpose Parking Fund revenues, for the establishment and enforcement of on-street paid parking in the Willow Glen neighborhood along Lincoln Avenue.
- Generates ongoing General Fund savings through: the elimination of 1.0 Office Specialist position from the Tree and Sidewalk Program; the elimination of 1.0 Office Specialist position from the Traffic Safety Data Collection program in the Construction Excise Tax Fund; the funding shift of 1.0 Engineering Technician position from the General Fund to the Construction Excise Tax Fund; and the migration of virtual machines from on-premises to a cloud-based service.
- Adds ongoing non-personal/equipment funding of $200,000 to increase scope of landscape maintenance contract to include three additional areas on the northeast side of the Airport campus.
- Adds one-time non-personal/equipment funding of $150,000 for a real estate consultant to aid in the development of Airport-owned land to generate revenue.
- Adds 1.0 Airport Operations Supervisor position to oversee the Federal Aviation Administration (FAA) mandated Airside Wildlife Program.
- Adds ongoing non-personal/equipment funding of $26,000 in the Airport Department for operations and maintenance costs related to a Fleet Maintenance Staffing budget action.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

*City Service Area Budget Summary***

Dollars by Core Service *	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Airport Department				
Airport Facilities	41,696,653	46,262,815	46,816,899	47,042,899
Airport Marketing and Communications	4,473,229	4,428,995	4,102,808	4,102,808
Airport Operations	31,988,167	38,194,319	37,725,854	37,788,775
Strategic Support - Other - Transportation & Aviation	172,677,825	84,752,492	85,895,467	85,919,595
Strategic Support - Transportation & Aviation	30,249,387	20,720,072	21,305,419	21,456,149
Transportation Department				
Parking Services	24,929,568	26,743,464	27,094,388	27,498,719
Pavement Maintenance	14,726,162	12,486,510	12,901,104	12,901,104
Strategic Support - Other - Transportation & Aviation	11,074,336	18,940,904	19,603,144	19,784,047
Strategic Support - Transportation & Aviation	4,941,252	4,381,813	6,220,847	6,031,189
Street Landscape Maintenance	23,538,226	27,232,351	23,477,113	25,118,944
Traffic Maintenance	17,985,040	22,249,133	22,298,832	22,215,811
Transportation Planning and Project Delivery	14,017,250	12,273,629	11,871,748	12,020,323
Transportation Safety and Operations	19,956,962	18,040,168	16,588,613	17,286,081
Total CSA	**$412,254,057**	**$336,706,665**	**$335,902,236**	**$339,166,444**
Authorized Positions	**605.51**	**615.51**	**615.01**	**621.51**

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

The TAS CSA facilitates the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents. The TAS CSA is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

OUTCOME 1: EFFECTIVE AND EQUITABLE TRANSPORTATION MODES THAT PROMOTE A STRONG ECONOMY

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.1: Implement planned local and regional transportation system	PM 1.1.1	**Bike Network Completion.** % completion of San José's planned bike network (DOT)	14%	16%	15%	17%	25%
	PM 1.1.2	**Grant Award Rate.** % of grants applied to that are awarded (DOT)	43%	25%	20%	25%	25%
	PM 1.1.3	**Households Near Bikeshare Stations.** % of households that are located within 0.25 miles of a bikeshare station (DOT)	12.0%	12.0%	12.5%	12.8%	13.5%
	PM 1.1.4	**Annual Airport Passengers.** # of total annual airport passengers (millions) (Airport)	11.4 M	11.3 M	10.2 M	10.0 M	10.6 M
SG 1.2: Center equity when planning for future air service and transportation system needs	PM 1.2.1	**Enplaned Passenger Cost.** Airline cost per enplaned passenger (Airport)	$17.99	$18.69	$18.97	$19.90	$20.00

Budget Dollars at Work: Performance Goals

OUTCOME 2: USERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.1: Ensure users have a positive transportation experience	PM 2.1.1	**Neighborhood Street Condition Perception.** % of residents rating the condition of "neighborhood" streets as "good" or "excellent" (DOT)	52%	60%	N/A[1]	60%	58%
	PM 2.1.2	**Passenger Perception of Airport Satisfaction.** % of SJC passengers rating of overall satisfaction with the Airport as "very good" or "excellent" (Airport)	81%	80%	85%	83%	83%
	PM 2.1.3	**San Jose Airport On-Time Flights.** % of on-time flights (Airport)	83%	82%	81%	82%	82%
SG 2.2: Maintain condition of airport facilities, traffic devices, and pavement	PM 2.2.1	**Street Pavement Condition.** % of streets rated in "good" or better pavement condition (70 or greater on a 1-100 scale) - Major Streets - Residential Streets (DOT)	 68% 64%	 70% 69%	 56%[2] 67%	 70% 70%	 70% 60%
	PM 2.2.2	**Pavement Condition Index.** Average Pavement Condition Index (PCI) rating (DOT)	74	74	73	73	70
	PM 2.2.3	**Passenger Perception of Airport Cleanliness**. % of SJC passengers rating of overall satisfaction with the cleanliness of the Airport Terminals as "very good" or "excellent" (Airport)	75%	77%	76%	77%	77%

[1] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget documents; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

[2] The Department has prioritized residential streets pavement projects, over major streets pavement projects, leveraging Measure T Pavement Funding.

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: SAFE AND SECURE TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY

Strategic Goals		CSA Performance Measures	2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 3.1: Advance transportation and airport safety	PM 3.1.1	**Resident Rating of Traffic Conditions.** % of residents rating traffic conditions as safe while:					
		- Driving	70%	75%	N/A[1]	75%	75%
		- Bicycling	38%	50%	N/A[1]	50%	50%
		- Walking (DOT)	63%	60%	N/A[1]	65%	65%
	PM 3.2.1	**Bike Lane and Path Availability Perception.** % of residents rating the City service in providing bike lanes and paths as "good" or "excellent" (DOT)	51%	55%	N/A[1]	60%	60%
SG 3.2: Preserve and enhance city streetscape	PM 3.2.2	**Streetscape Component Condition Perception.** % of residents rating streetscape components in "good" or "excellent" condition:					
		- Landscaping along streets and medians	45%	60%	N/A[1]	60%	62%
		- Trees along neighborhood streets	57%	60%	N/A[1]	60%	62%
		- Sidewalks	51%	60%	N/A[1]	60%	62%
		- Street lighting adequacy (DOT)	53%	60%	N/A[1]	60%	62%

[1] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of the budget documents; data will not be available in time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget. The next community survey will be conducted in late summer 2026.

TRANSPORTATION AND AVIATION SERVICES

OVERVIEW

TAS CSA-Level Data Sources	
Identifier	**Data Source**
PM 1.1.1	Bikeways Network Status Tracker Excel File
PM 1.1.2	Grant Application Records
PM 1.1.3	Excel Log/GIS Enterprise Layers
PM 1.1.4	San Jose Mineta International Airport Monthly Activity Report
PM 1.2.1	SJC Annual Comprehensive Financial Report; Airport Accounting Division
PM 2.1.1	2025 Community Survey
PM 2.1.2	2024 ASQ Survey
PM 2.1.3	US DOT Bureau of Transportation Statistics
PM 2.2.1	T&E 2024, 2025; 2025 TMMP; PM 2.2.1_2025 LS 5-Year Goal Excel File, T&# 2026
PM 2.2.2	T&E 2025 Excel File
PM 2.2.3	2024 ASQ Survey
PM 3.1.1	2025 Community Survey
PM 3.2.1	2025 Community Survey
PM 3.2.2	2025 Community Survey

PROPOSED BUDGET CHANGES

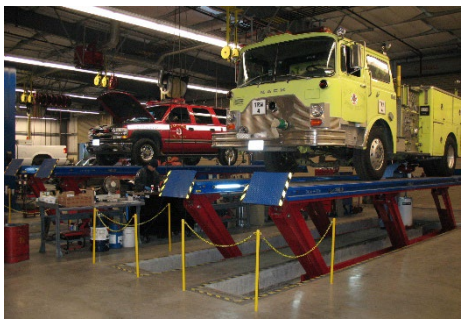
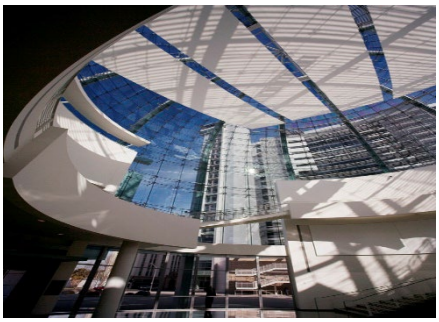
Proposed Changes	Positions	All Funds ($)	General Fund ($)
AIRPORT DEPARTMENT			
• Airport Facilities Landscape Management		200,000	0
• Airport Real Estate Development		150,000	0
• Airport FAA Mandated Wildlife Staffing (Continuation)	1.00	63,651	0
• Vehicle Operations and Maintenance (Fleet Staffing)		26,000	0
Subtotal	1.00	439,651	0
TRANSPORTATION DEPARTMENT			
• Automated Speed Enforcement Program	4.00	411,888	(573,543)
• Willow Glen On-Street Parking	1.00	297,187	222,187
• Senter Road Multimodal Safety Improvement Project Staffing (Continuation)	1.00	222,631	0
• Quick Build Projects on Priority Safety Corridors (Continuation)	1.00	173,671	0
• VTA Board Coordination		148,575	148,575
• Downtown Parking Rates and Hours	0.50	106,144	56,144
• New Traffic Infrastructure Assets Operations and Maintenance		105,000	105,000
• Vehicle Operations and Maintenance (Fleet Staffing)		26,000	22,000
• Inflation Reduction Act - Urban and Community Forestry Grant	2.00	0	0
• Traffic Capital Vacant Positions Elimination	(2.00)	(380,179)	0
• Tree and Sidewalk Program Staffing	(1.00)	(123,855)	(123,855)
• Traffic Safety Data Collection Staffing and Funding Shift	(1.00)	(110,722)	(118,410)
• Virtual Machine Migration to Cloud		(19,500)	(19,500)
Subtotal	5.50	856,840	(281,402)
Subtotal Departments	**6.50**	**1,296,491**	**(281,402)**
CITY-WIDE EXPENSES			
• Inflation Reduction Act - Urban Forestry Grant (Transportation)		1,762,686	1,762,686
Subtotal	0.00	1,762,686	1,762,686
Subtotal City-wide	**0.00**	**1,762,686**	**1,762,686**

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: New Traffic Infrastructure Assets Operations and Maintenance Reserve		(105,000)	(105,000)
Subtotal Other Changes	**0.00**	**(105,000)**	**(105,000)**
Total Proposed Budget Changes	**6.50**	**2,954,177**	**1,376,284**

CITY SERVICE AREA

STRATEGIC SUPPORT

MISSION

Shape an empathetic, engaged, and high-performing workforce with reliable infrastructure, technologies, and finances to enable accessible City services

Primary Partners

Finance

Human Resources

Information Technology

Public Works

CSA OUTCOMES

- Excellent City service delivery that enhances internal and external customer experience and engagement
- Strategic investments in people, technology, and assets
- Inclusive, adaptive, and sustainable environment

CITY SERVICE AREA

STRATEGIC SUPPORT

SERVICE DELIVERY FRAMEWORK

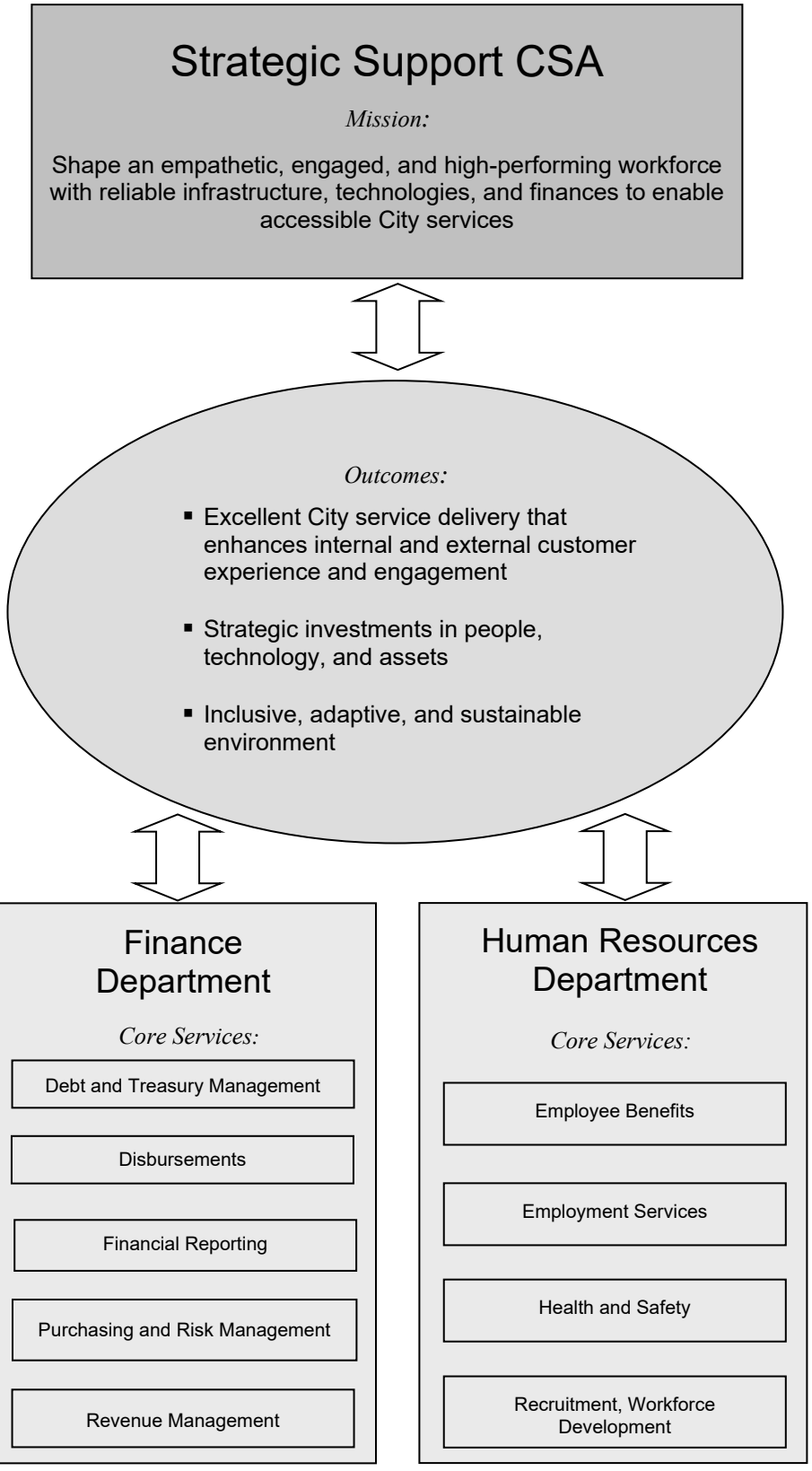
CITY SERVICE AREA
Cross-departmental core services that form one of the City's six (6) key "lines of business"

MISSION STATEMENT
Why the CSA exists

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

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

CORE SERVICES
Primary deliverables of the organization



CITY SERVICE AREA

STRATEGIC SUPPORT

SERVICE DELIVERY FRAMEWORK

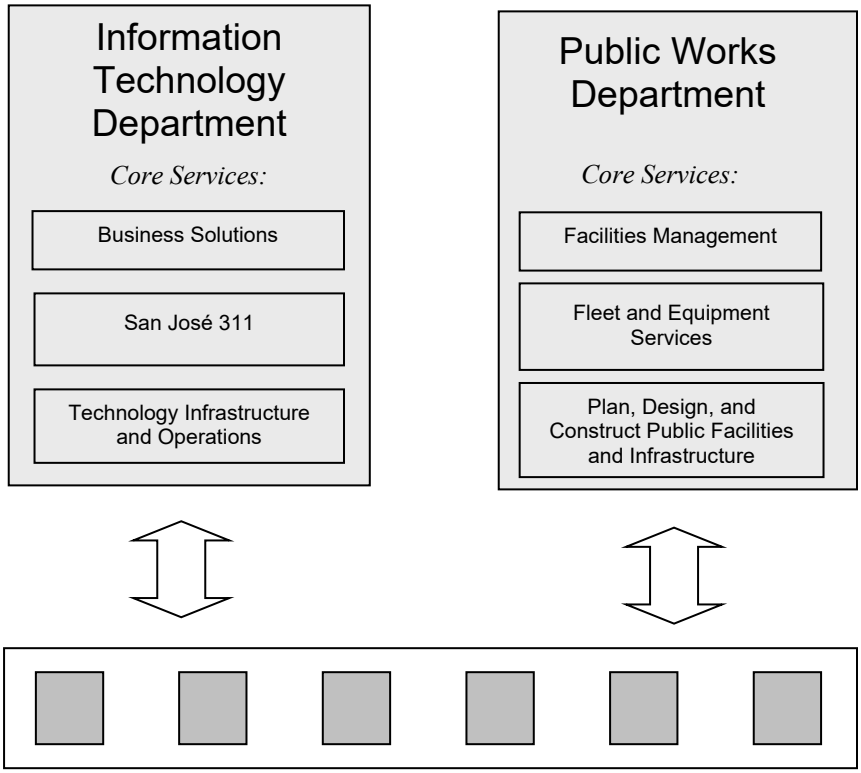
PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

Residents accessing Citywide informational and business services

CORE SERVICES
Primary deliverables of the organization

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

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



CITY SERVICE AREA

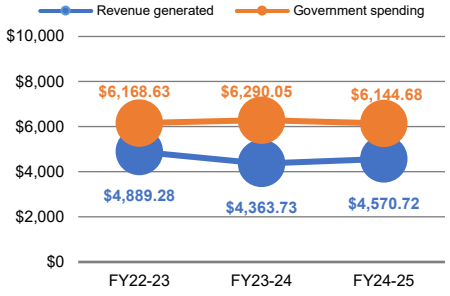
STRATEGIC SUPPORT

COMMUNITY INDICATORS DASHBOARD

OUTCOME 1: EXCELLENT CITY SERVICE DELIVERY THAT ENHANCES INTERNAL AND EXTERNAL CUSTOMER EXPERIENCE AND ENGAGEMENT

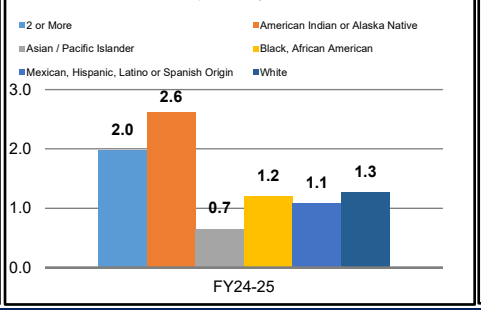
Community Resourcing Revenue and Spending

Per capita community resourcing (Finance)
Source: Finance Annual Report



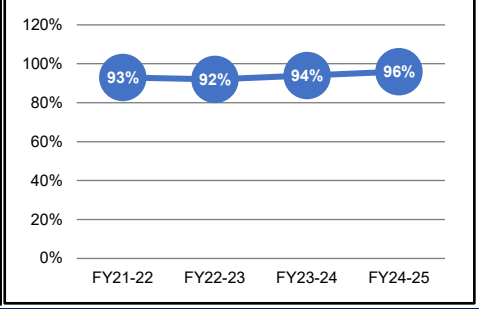
Employee to Community Demographics

Ratio of Employee Workforce by Race/Ethnicity Compared to Total Community Race/Ethnicity (Human Resources)[1]
Source: PeopleSoft Query and 2020 Census



City Service Language Access

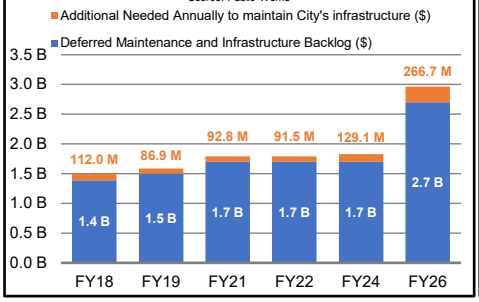
% of residents who report accessing city services without a language barrier (HR, ITD)
Source: Community Opinion Survey



OUTCOME 2: STRATEGIC INVESTMENTS IN PEOPLE, TECHNOLOGY, AND ASSETS

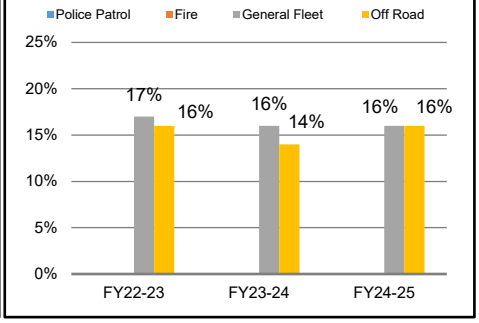
City's Deferred Maintenance and Infrastructure Backlog[2]

$ of ongoing infrastructure backlog unfunded needs (Public Works)
Source: Public Works



Fleet Vehicles Past Useful Life

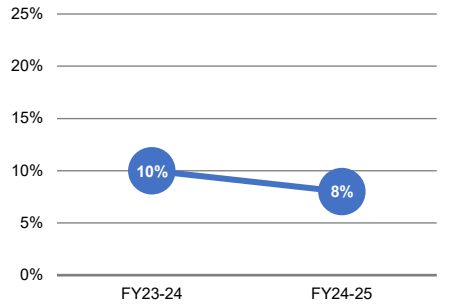
% of vehicles[3] past useful life[4] by type (Public Works)
Source: Public Works



OUTCOME 3: INCLUSIVE, ADAPTIVE, AND SUSTAINABLE WORK ENVIRONMENT

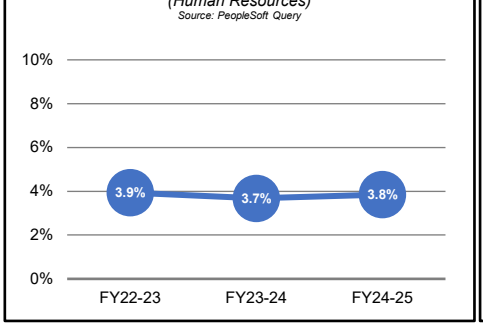
Employee Retirement Eligibility

% of employees that are eligible for retirement (Human Resources)
Source: Human Resources



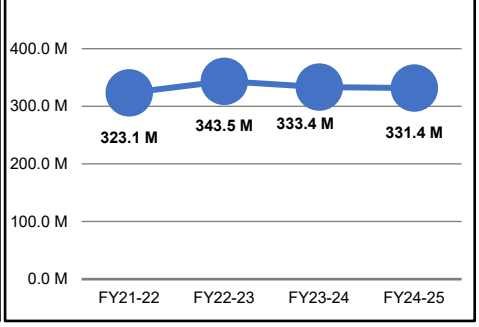
Voluntary Resignations

% of budgeted, benefitted voluntary resignations out of total, budgeted full-time staff (Human Resources)
Source: PeopleSoft Query



San Jose Sales Tax Revenue

(Finance)
Source: Finance



[1] City employee demographic data is self-identified with the option to opt out. 26% of city employees opted out and are excluded from this analysis.

[2] This data is collected every two years as part of the Deferred Maintenance and Infrastructure Backlog Report.

[3] Fire and Police Patrol vehicles are always within useful life.

[4] Useful life defined as: Marked Patrol Sedans, 5 years and 100,000 miles; Unmarked sedans, 10 years and 100,000 miles; Patrol Motorcycles, 4.5 years and 60,000 miles; General Fleet Sedans, Light Trucks/SUVs, Vans, 8 years or 90,000 miles; Heavy Trucks 12 years or 100,000 miles; Animal Care & Services Truck, 7 years or 100,000 miles; Light Metered Equipment, 6 years or 2,500 hours; Heavy Metered Equipment, 15 years or 6,000 hours

CITY SERVICE AREA

STRATEGIC SUPPORT

PERFORMANCE MEASURE DASHBOARD

Bond Rating

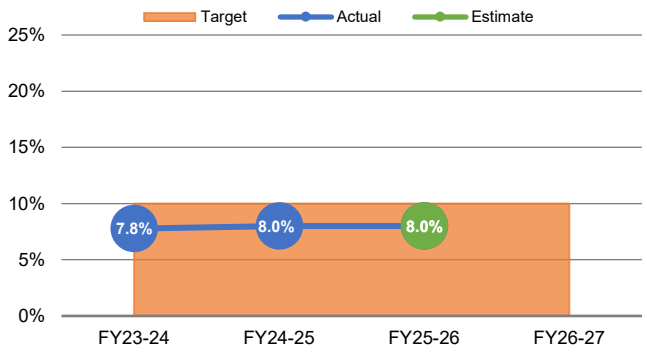
City's General Obligation Bond Rating (Finance)

Fiscal Year	Moody's	Standard & Poor's	Fitch
FY21-22 Actual	Aa1	AA+	AAA
FY22-23 Actual	Aa1	AA+	AAA
FY23-24 Actual	Aa1	AA+	AAA
FY24-25 Actual	Aa1	AA+	AAA
FY25-26 Target	Aa1	AA+	AAA
FY25-26 Estimate	Aa1	AA+	AAA
FY26-27 Target	Aa1	AA+	AAA

Employee Turnover Rate

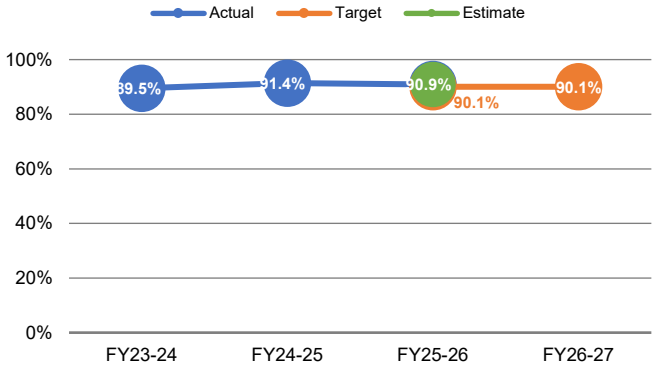
% of employees that separated from the City from average active employees (Human Resources)

Source: PeopleSoft Query



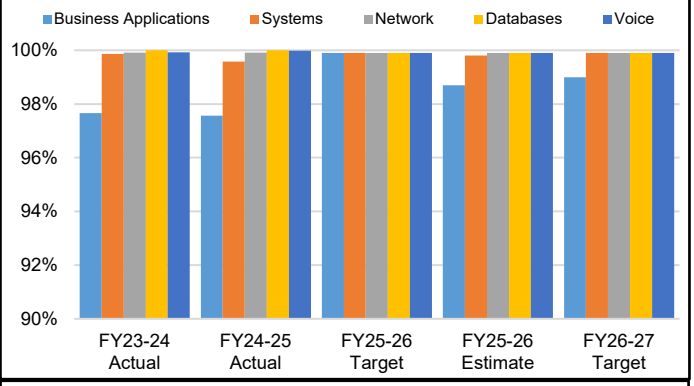
Filled Positions

% of positions filled as a total of budgeted positions (Human Resources)



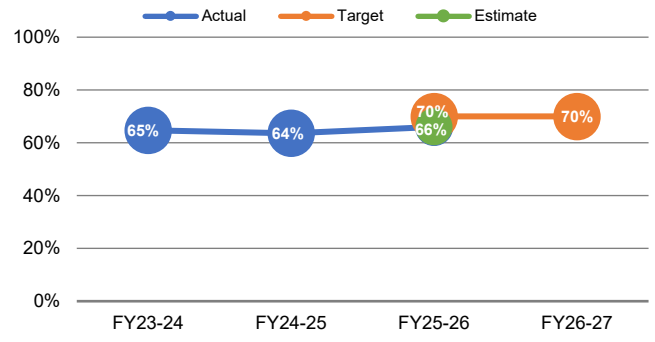
Uptime and Availability

Information Technology and Public Works uptime and availability (Information Technology and Public Works)



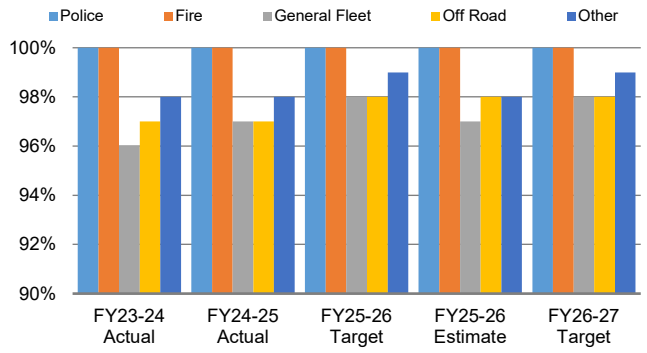
SJ311 Customer Satisfaction Score

% of San Jose 311 customers who rate the service as "very good" or "good" (Information Technology)[1]



Vehicle and Equipment Availability

% of vehicles and equipment that is available for use when needed (Public Works)



[1] The SJ311 Customer Satisfaction Survey will exclude "Neutral" effective 2025-2026.

BUDGET SUMMARY

CSA Priorities/Expected 2026-2027 Service Delivery

- Ensure the City's financial resources are protected and available to address the short-term and long-term needs of the community; make accurate and timely payments to City employees and vendors; provide accurate and timely financial reports; procure and deliver top-notch products and services; and deploy efficient business systems and processes for timely billing and collection efforts.
- Hiring for Talent: Strive to maintain low vacancy rates by evaluating, streamlining, and innovating effective hiring practices, creating robust digital recruitment infrastructure and campaigns, and building long-term capacity through strategic pipeline programs.
- Maintain City facilities, equipment, and vehicles, and manage space usage; oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customers and City staff needs.
- Leverage innovative solutions and data to support City priorities and advance service delivery capabilities. Partner with City departments to implement initiatives that address service gaps, improving quality of life in San José. Provide departments with data analytics tools, relevant training, and dashboards that support evidence-based decision-making. Enhance services by promoting service design principles that support accessibility, responsiveness, and overall service impact for both residents and businesses.

2026-2027 Key Budget Actions

- Eliminates 1.0 vacant Senior Account Clerk position in the Debt and Treasury Management Division and 1.0 vacant Staff Specialist position in the Administration Division in the Finance Department.
- Repurposes Business Tax Software Implementation funds of $1,044,300 to support key one-time projects that enhance City-Wide financial systems, which include – City-Wide Grants Management Software, Financial Management System Upgrade, and Cashiering and Payment Processing Application Migration.
- Adds 1.0 Investigator Collector I/II position in the Finance Department Revenue Management Division to provide support in the Business Tax unit to collect on delinquent business tax, generate revenues of $551,000, and provide support for additional Business Improvement Districts that are expected to be implemented in 2025-2026.
- Shifts funding for 2.0 Analyst positions to the Human Resources Department from the General Fund to various Housing Funds and Development Fee Program Funds as a result of centralizing human resources functions, such as recruitment and onboarding, from the Planning, Building and Code Enforcement and Housing Departments.
- Adds 3.0 Mechanic I/II positions in the Public Works Department to strengthen vehicle maintenance capacity and support increasing operational demands city-wide.
- Eliminates 1.0 filled Network Technician position supporting Tier 1 Help Desk operations.
- Adds one-time non-personal/equipment funding of $5 million to replace end-of-life network, computers, and mobile devices across various City departments.
- Adds ongoing non-personal/equipment funding of $276,000 as San José 311 (SJ311) expands and transitions to the new SJ311 platform, improving services and enhancing customer experience to meet City Council and community expectations.

CITY SERVICE AREA

STRATEGIC SUPPORT

BUDGET SUMMARY

*City Service Area Budget Summary***

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service *				
Finance Department				
Debt and Treasury Management	6,931,838	6,303,591	8,687,769	8,649,175
Disbursements	3,668,600	3,511,266	3,445,976	3,445,976
Financial Reporting	3,665,203	3,836,953	3,897,123	4,031,123
Purchasing and Risk Management	7,226,733	8,040,501	8,320,580	8,320,580
Revenue Management	10,448,033	10,451,237	9,244,113	9,293,911
Strategic Support - Other - Strategic Support	43,228,375	51,512,543	51,926,816	51,896,892
Strategic Support - Strategic Support	2,736,785	3,160,734	3,218,585	3,575,026
Human Resources Department				
Employee Benefits	119,154,975	133,800,465	139,872,958	139,872,958
Employment Services	4,456,176	4,610,472	4,276,864	4,280,509
Health and Safety	6,811,723	8,218,833	8,425,448	8,425,448
Strategic Support - Other - Strategic Support	1,991,025	2,159,881	2,231,405	2,284,749
Strategic Support - Strategic Support	2,050,026	2,134,131	2,087,151	2,087,151
Training and Development	2,108,395	1,909,742	1,841,178	1,629,318
Information Technology Department				
Business Solutions	15,775,510	16,080,240	15,509,673	16,371,449
San José 311	3,315,575	4,152,067	3,958,979	4,234,979
Strategic Support - Other - Strategic Support	366,480	1,089,349	946,269	946,269
Strategic Support - Strategic Support	7,099,304	6,201,562	5,722,712	6,310,610
Technology Infrastructure and Operations	14,881,457	16,716,047	13,538,546	19,399,600
Public Works Department				
Facilities Management	41,390,200	38,015,697	38,781,673	38,943,813
Fleet and Equipment Services	35,801,321	47,107,875	37,328,796	37,844,094
Plan, Design, and Construct Public Facilities and Infrastructure	42,720,659	52,625,333	53,190,602	50,619,961
Strategic Support - Other - Strategic Support	21,869,193	57,836,009	39,174,861	43,920,749
Strategic Support - Strategic Support	29,578,955	14,738,827	14,750,267	15,075,229
Dollars by Core Service Subtotal	**$427,276,541**	**$494,213,355**	**$470,378,344**	**$481,459,569**
MAYOR, CITY COUNCIL, AND APPOINTEES	**$109,384,472**	**$109,280,540**	**$94,975,814**	**$98,526,453**
Total CSA	**$536,661,013**	**$603,493,895**	**$565,354,158**	**$579,986,022**
Authorized Positions	**1,041.71**	**1,026.56**	**1,015.86**	**1,006.11**

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

** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: EXCELLENT CITY SERVICE DELIVERY THAT ENHANCES INTERNAL AND EXTERNAL CUSTOMER EXPERIENCE AND ENGAGEMENT

Strategic Goals		CSA Performance Measures	2024-2025 Actuals	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.1: Set and exceed customer expectations	*PM 1.1.1*	**Information Technology Customer Satisfaction Rates.** % of Information Technology customers rating services as "Good" or "Excellent":					
		- overall satisfaction	90.51%	≥85%	85%	≥80%	≥80%
		- quality of work	91.68%	≥85%	85%	≥80%	≥80%
		- timeliness	89.37%	≥85%	85%	≥80%	≥80%
		- customer service (Information Technology)	93.00%	≥85%	85%	≥80%	≥80%
	PM 1.1.2	**Fleet and Equipment Services Customer Satisfaction Rates.** % of Public Works customers who rate Fleet and Equipment Services service good or better based on:					
		- Timeliness	90%	95%	94%	95%	100%
		- Convenience	98%	100%	99%	100%	100%
		- Courtesy (Public Works)	100%	100%	97%	100%	100%
	PM 1.1.3	**Facility Services Customer Satisfaction Rate.** % of Public Works customers who rate facility services as good or excellent based on timeliness of response and quality of work (Public Works)	80%	85%	100%	85%	85%
	PM 1.1.4	**Revenue Management Call Timeliness.** % of Revenue Management customer phone calls answered within 10 minutes (Finance)	91%	90%	75%	75%	90%
SG 1.2: Work as one team to facilitate a seamless customer experience	*PM 1.2.1*	**SJ311 Customer Satisfaction Score.** % of San Jose 311 customers who rate their experience as "very good" or "good"[1] (Information Technology)	63.59%	70%	66%	70%	80%
	PM 1.2.2	**SJ311 Requests Meeting Time Targets.** % of San Jose 311 service requests that meet turnaround time targets (Information Technology)	87.37%	90%	90%	90%	90%
	PM 1.2.3	**Project Management Office.** % of Project Management Office's project success rate based on scope, timelines, and budget (Information Technology)	89.47%	85%	92%	90%	90%
	PM 1.2.4	**Projects within Baseline Budget.** % of Public Works projects completed within the approved baseline budget (Public Works)	95%	85%	94%	85%	85%
	PM 1.2.5	**Projects within Baseline Schedule.** % of projects designed and constructed by Public Works within approved baseline schedule (Public Works)	90%	85%	91%	85%	85%

OVERVIEW

OUTCOME 1: EXCELLENT CITY SERVICE DELIVERY THAT ENHANCES INTERNAL AND EXTERNAL CUSTOMER EXPERIENCE AND ENGAGEMENT

Strategic Goals		CSA Performance Measures	2024-2025 Actuals	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 1.2: Work as one team to facilitate a seamless customer experience	*PM 1.2.6*	**Average Days to Process Purchase Order.** Average number of days to process and execute a purchase order after receipt of department request (Finance)	31	60	34	60	60
	PM 1.2.7	**Labor Compliance Site Visits and Interviews.** % of reviewed Labor Compliance projects receiving at least two site visits and worker interviews by project completion (Public Works)	15%	70%	26%	70%	80%
	PM 1.2.8	**Vendor Invoice Disbursements Paid.** % of vendor invoice disbursements paid within 45 days of invoice date (Finance)	79%	80%	79%	80%	80%
	PM 1.2.9	**Bond Rating.** City's General Obligation Bond Rating (Finance)					
		- Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
		- Standard & Poor's	AA+	AA+	AA+	AA+	AA+
		- Fitch	AAA	AAA	AAA	AAA	AAA

[1] The SJ311 Customer Satisfaction Survey will exclude "Neutral" effective Fiscal Year 2025-2026. Target indicates industry standard target for customer service satisfaction of 80%.

OVERVIEW

OUTCOME 2: STRATEGIC INVESTMENTS IN PEOPLE, TECHNOLOGY, AND ASSETS

Strategic Goals		CSA Performance Measures	2024-2025 Actuals	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 2.1: Ensure customers have the well-maintained facilities, tools, and equipment they need	*PM 2.1.1*	**Uptime and Availability.** Information Technology uptime and availability:					
		- Business applications	97.57%	99.90%	98.7%	99.0%	99.9%
		- Systems	99.58%	99.90%	99.8%	99.9%	99.9%
		- Network	99.91%	99.90%	99.9%	99.9%	99.9%
		- Databases	100%	99.90%	99.9%	99.9%	99.9%
		- Voice (Information Technology, Public Works)	99.98%	99.90%	99.9%	99.9%	99.9%
	PM 2.1.2	**Facility Condition Rating.** % of facilities with a condition assessment rating of good or better (3 or better on a 5-point scale) (Public Works)	88%	85%	73%	85%	85%
	PM 2.1.3	**Vehicle and Equipment Availability.** % of vehicles and equipment that is available for use when needed:					
		- Police Patrol	100%	100%	100%	100%	100%
		- Fire	100%	100%	100%	100%	100%
		- General Fleet	97%	98%	97%	98%	100%
		- Off Road	97%	98%	98%	98%	100%
		- Other (Public Works)	98%	98%	98%	99%	100%
SG 2.2: Protect customers with timely review and enforcement of regulations	*PM 2.2.1*	**Minimum Wage Case Resolution.** % of minimum wage compliance cases resolved (Public Works)	100%	70%	100%	70%	80%
	PM 2.2.2	**Contracts Rejected Under Wage Theft Policy.** % of contracts review that are rejected due to wage theft policy noncompliance (Public Works)	.005%	0%	0.01%	0%	0%
	PM 2.2.3	**Workers' Compensation Claims Contact Completed.** % of new workers' compensation claims that receive contact with employee, the City, and the treating physician within 3 working days (Human Resources)	100%	100%	100%	100%	100%
	PM 2.2.4	**Finance Contract Insurance Clearance Issued.** % of Finance contracts processed for insurance clearance within 5 business days of receipt (Finance)	93%	93%	90%	93%	90%

OVERVIEW

OUTCOME 3: INCLUSIVE, ADAPTIVE, AND SUSTAINABLE WORK ENVIRONMENT

Strategic Goals		CSA Performance Measures	2024-2025 Actuals	2025-2026 Target	2025-2026 Estimate	2026-2027 Target	5-Year Goal
SG 3.1: Ensure a safe, healthy, and well-trained workforce	*PM 3.1.1*	**Human Resources Training Usage.** % of employees who took a Human Resources-coordinated training in the last 12 months (Human Resources)	20%	28%	25%	28%	35%
	PM 3.1.2	**Workers Compensation Claims Closure Rate.** % of workers' compensation claims closed (Human Resources)	102%	100%	100%	100%	100%
SG 3.2: Attract and retain a high-performing workforce	*PM 3.2.1*	**Filled Positions.** % of positions filled as a total of budgeted positions (Human Resources)	91.4%	90.1%	90.9%	90.1%	90.1%
	PM 3.2.2	**Employee Turnover Rate.** Employee Turnover Rate (Human Resources)	8.0%	<10%	8.0%	<10%	<10%

Strategic Support CSA Level Data Sources	
Identifier	**Data Source**
PM 1.1.1	Annual IT Customer Satisfaction Survey
PM 1.1.2	Fleet Assetworks
PM 1.1.3	Infor EAM Enterprise Asset Management System
PM 1.1.4	Zoom data
PM 1.2.1	Customer survey assessing customer satisfaction with services provided by departments through the San Jose 311 web and mobile application
PM 1.2.2	Service requests that were logged into SJ311 for the following services: Other Issues, Graffiti, Illegal Dumping, Streetlight Outage, Potholes and Container Issues
PM 1.2.3	Project Close Out documentation and tracking sheet.
PM 1.2.4	CPMS, data extracted and reviewed in SmartSheet
PM 1.2.5	CPMS, data extracted and reviewed in SmartSheet
PM 1.2.6	Commodity Report for Unencumbered OP and Regular OP and PO – BI Launchpad (FMS)
PM 1.2.7	Staff Reports
PM 1.2.8	FMS BI Launchpad Report ran by IT
PM 1.2.9	Publicly published on the rating agencies websites (Moody's, S&P, Fitch)
PM 2.1.1	Solarwinds Monitoring, Oracle Enterprise Manager
PM 2.1.2	Infor EAM Enterprise Asset Management System
PM 2.1.3	Fleet Assetworks
PM 2.2.1	OER Internal SmartSheet
PM 2.2.2	OER Internal Sharepoint and Smartsheet
PM 2.2.3	Annual PSFSS Memo
PM 2.2.4	SimpliGov Analytics Data Report and Risk Management Services Memo
PM 3.1.1	SharePoint
PM 3.1.2	Annual PSFSS Memo
PM 3.2.1	PeopleSoft Query
PM 3.2.2	PeopleSoft Query

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
FINANCE DEPARTMENT			
• City-Wide Grants Management Software		500,000	500,000
• Business Tax Collections	1.00	138,391	138,391
• Cashiering and Payment Processing Application Migration		100,000	100,000
• Accounts Receivable Amnesty Program		50,000	50,000
• Finance Administration Staffing	(1.00)	(143,559)	(143,559)
• Payment Processing Staffing	(1.00)	(138,594)	(138,594)
• Utility Billing Staffing	(1.00)	(138,593)	0
Subtotal	(2.00)	367,645	506,238
HUMAN RESOURCES DEPARTMENT			
• Recruitment Staffing Funding Shifts	0.00	3,645	(360,639)
• Workforce Development Pipeline Staffing	(1.00)	(211,860)	(211,860)
Subtotal	(1.00)	(208,215)	(572,499)
INFORMATION TECHNOLOGY DEPARTMENT			
• Information Technology Equipment Refresh		5,000,000	5,000,000
• Privacy and AI Automation Staffing	2.00	824,627	824,627
• Cybersecurity Operations Staffing and Services	1.00	554,240	554,240
• Automated Workflow Migration		400,000	400,000
• Disaster Recovery		300,000	300,000
• San José 311 Migration		276,000	276,000
• Public Information Staffing (Continuation)	1.00	249,264	249,264
• Database Appliances Hardware Refresh		212,000	212,000
• Firewall Refresh		200,000	200,000
• Customer Experience Transformation	1.00	0	0
• Budget and Finance Applications Support Staffing	(1.00)	(236,217)	(236,217)
• Help Desk Staffing	(1.00)	(193,186)	(193,186)
Subtotal	3.00	7,586,728	7,586,728
PUBLIC WORKS DEPARTMENT			
• Facilities Maintenance Housing Vehicles		400,000	0
• Fleet Maintenance Services Enhancement Staffing	3.00	380,298	0
• Regional Wastewater Facility, Sanitary Sewer and Housing CIP Team Staffing	1.00	194,965	0
• Underutilized Vehicles Redistribution		135,000	135,000
• GIS Enterprise Aerial Services		130,000	130,000
• Vehicle Operations and Maintenance (Fleet Staffing)		7,000	7,000
• Public Works Department Staffing Plan – Capital Improvement Program	(13.75)	(2,960,363)	0
• City Facilities Energy Efficiency Measures		(50,000)	(50,000)
Subtotal	(9.75)	(1,763,100)	222,000
Subtotal Departments	**(9.75)**	**5,983,058**	**7,742,467**

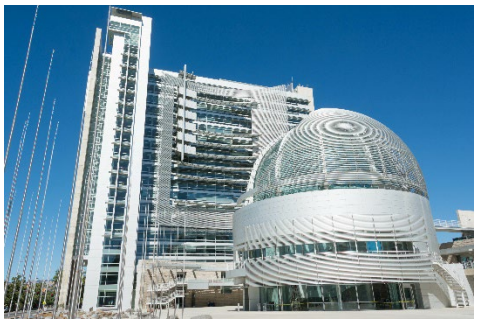
PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	General Fund ($)
MAYOR, CITY COUNCIL, AND APPOINTEES			
Approved changes appear in the next section of this document	**0.00**	**3,512,518**	**3,211,690**
CITY-WIDE EXPENSES			
• Charitable Donations Inspection and Permit Assistance		50,000	50,000
• Financial Management System Upgrade		134,000	134,000
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: 9-1-1 Dispatch Backup Generator Replacements		3,500,000	3,500,000
• Capital Contributions: City Hall Water Intrusion Remediation		2,000,000	2,000,000
• Capital Contributions: Unanticipated/Emergency Maintenance		(200,000)	(200,000)
• Transfer to Other Funds: Transfer to Vehicle Maintenance and Operations Fund		(250,000)	(250,000)
Subtotal Other Changes	**0.00**	**5,234,000**	**5,234,000**
Total Proposed Budget Changes	**(9.75)**	**14,729,576**	**16,188,157**

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MAYOR, CITY COUNCIL AND APPOINTEES






MISSION

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

Mayor and City Council
- Office of the Mayor
- City Council
- Council General

Office of the City Attorney
- Legal Services

Office of the City Auditor
- Audit Services

Office of the City Clerk
- Legislative Services

Office of the City Manager
- Lead & Manage The Organization
- City-Wide Emergency Management (aligned to the Public Safety CSA)

Office of the Independent Police Auditor
- Core Service aligned to the Public Safety CSA

Office of Retirement Services
- Retirement Plan Administration

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

CSA Priorities/Expected 2026-2027 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, the Office of the Mayor will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives, including reducing unsheltered homelessness, increasing community safety, cleaning up our neighborhoods, growing our economy, and building more housing.

- The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.

- The Office of the City Manager will provide strategic leadership and facilitate service delivery through executive management. The office supports the Mayor and City Council and challenges the organization to deliver high quality, cost-effective services that meet the needs of the community.

- The Office of the City Attorney will provide advice to the City, its Council, boards and commissions, and employees; will represent the same parties in all matters pertaining to their powers and duties; and will advocate, defend, and prosecute legal matters on behalf of the City.

- The Office of the City Auditor will conduct program performance audits; identify ways to increase the economy, efficiency, effectiveness, and accountability of City government; and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.

- The Office of the City Clerk will maintain compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements as well as conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with the City Charter and the State of California elections code.

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

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

2026-2027 Key Budget Actions

- Reduces ongoing funding in the Office of the Mayor by $138,711, and ongoing funding for each City Council Office by $24,454 for a total of $244,540.
- Makes permanent 1.0 Deputy City Attorney position to provide sustained support for Municipal Code enforcement.
- Eliminates 1.0 Legal Analyst position responsible for court forms, pleadings, and discovery; 1.0 Legal Administrative Assistant position assigned to e-filing, processing contracts, and coordinating court appearances; and, 1.0 Office Specialist position responsible for the front desk coverage and general administrative support.
- Reduces non-personal/equipment funding in the Office of the City Clerk by $125,000 to recognize savings for in-person interpretation services.
- Adds one-time funding of $3.9 million within the City-Wide Expenses section of this document for the continued implementation of the Customer Experience (CX) Transformation, as part of the multi-year effort of implementing the City Council-approved Customer Service Vision and Standards. This project also includes the addition of 1.0 Deputy Director, 1.0 Assistant to the City Manager, and 1.0 Senior Executive Analyst positions in the City Manager's Office limit-dated through June 30, 2028.
- Adds one-time non-personal/equipment funding of $500,000 to the City Manager's Office of Racial and Social Equity to support the immigrant community, including expanding legal services, counseling, and peer support networks, family preparedness plans, and strengthening privacy systems for non-profit partners.
- Adds one-time non-personal/equipment funding of $100,000 to the City Manager's Office of Administration, Policy, and Intergovernmental Relations to support potential ballot measure initiatives, specifically focusing on business tax modernization.
- Shifts ongoing personal services funding of $146,000 for 0.30 Deputy City Manager position in the City Manager's Office from the General Fund to the Multi-Source Housing Fund to more accurately reflect the position's oversight of housing development and homeless response services.
- Eliminates 1.0 vacant Director (Chief of Staff) position and adds 1.0 Chief of Staff to the City Manager position in the City Manager's Office, which yields salary savings of $147,814, to better align the position to a more traditional Chief of Staff role.
- Eliminates 1.0 vacant Staff Specialist position in the City Manager's Office and generates $145,022 in savings, redistributing administrative support for the City Manager's Office of Racial and Social Equity and City Manager's Office of Communications to existing staff to maintain operational continuity with minimal service impact.
- Converts 1.0 vacant Staff Specialist to 0.5 part-time Staff Specialist position in the City Manager's Budget Office and eliminates 0.5 vacant Executive Analyst position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations' Agenda Services Team generating approximately $160,000 in combined savings.
- Adds 1.0 Program Manager position to increase capacity for technology and innovation projects, oversee the disability program, and bridge a critical leadership gap in the Office of Retirement Services' Benefits Division.

MAYOR, CITY COUNCIL AND APPOINTEES

BUDGET SUMMARY

Mayor, City Council and Appointees Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service *				
Mayor & City Council				
City Council	9,663,689	14,177,591	11,125,389	10,880,849
Council General	31,069	49,670	49,670	49,670
Office Of The Mayor	5,100,577	5,317,606	5,387,678	5,248,967
Office of the City Attorney				
Legal Services	24,048,546	24,796,941	24,624,883	24,540,228
Strategic Support - City Council Appointees	2,031,605	2,028,135	1,757,721	1,639,740
Strategic Support - Other - Council Appointees	17,554,713	8,230,575	8,032,031	8,021,794
Office of the City Auditor				
Audit Services	3,116,655	3,727,892	2,869,401	2,869,401
Strategic Support - City Council Appointees	0	207,649	210,649	210,649
Strategic Support - Other - Council Appointees	528,835	0	547,100	547,100
Office of the City Clerk				
City Clerk Services	3,347,390	3,819,529	3,714,745	3,589,745
Strategic Support - City Council Appointees	301,352	211,061	212,884	212,884
Strategic Support - Other - Council Appointees	6,662,941	8,821,173	3,361,000	3,361,000
Office of the City Manager				
Lead & Manage The Organization	21,383,414	23,579,966	22,282,679	26,303,615
Strategic Support - City Council Appointees	995,470	156,487	175,097	175,097
Strategic Support - Other - Council Appointees	5,001,584	4,088,664	343,259	391,617
*Independent Police Auditor's Office***				
Office of Retirement Services				
Retirement Plan Administration	6,406,128	6,711,805	6,747,323	6,949,792
Strategic Support - City Council Appointees	3,201,867	3,344,796	3,523,305	3,523,305
Strategic Support - Other - Council Appointees	8,637	11,000	11,000	11,000
Core Service Subtotal	**$109,384,472**	**$109,280,540**	**$94,975,814**	**$98,526,453**
Authorized Positions**	**269.50**	**265.50**	**259.50**	**259.50**

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

** The positions displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget. 2024-2025 Actuals may not subtotal due to rounding.

*** This Independent Police Auditor's Office Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

**** Authorized Positions do not include unclassified staff for the Mayor's Office and City Council Districts.

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	Fund ($)
MAYOR AND CITY COUNCIL			
• City Council Offices		(244,540)	(244,540)
• Office of the Mayor		(138,711)	(138,711)
Subtotal	0.00	(383,251)	(383,251)
OFFICE OF THE CITY ATTORNEY			
• Legal Representation Staffing (Municipal Code Enforcement) (Continuation)	1.00	220,697	220,697
• Legal Representation Staffing	(1.00)	(159,728)	(119,794)
• Legal Transactions Staffing	(1.00)	(145,624)	(138,342)
• Administration Support Staffing	(1.00)	(117,981)	(117,981)
Subtotal	(2.00)	(202,636)	(155,420)
OFFICE OF THE CITY CLERK			
• In-Person Interpretation Services		(125,000)	(125,000)
Subtotal	0.00	(125,000)	(125,000)
OFFICE OF THE CITY MANAGER			
• Office of Racial and Social Equity - Immigrant Community Support Services		500,000	500,000
• Office of Administration, Policy, and Intergovernmental Relations - Ballot Measures Polling		100,000	100,000
• Office of the City Manager - Customer Experience (CX) Transformation	3.00	0	0
• Office of the City Manager - Deputy City Manager Position Funding Shift	0.00	0	(145,575)
• Office of the City Manager - City Manager's Chief of Staff Position Realignment	0.00	(147,814)	(147,814)
• Office of the City Manager - Administrative Support Staffing	(1.00)	(145,022)	(145,022)
• Budget Office - Administrative Support Staffing	(0.50)	(100,906)	(100,906)
• Office of Administration, Policy, and Intergovernmental Relations - Agenda Services Support Staffing	(0.50)	(58,322)	(58,322)
• Office of Communications - Citywide Campaigns		(20,000)	(20,000)
• Office of Employee Relations - External Trainings		(7,000)	(7,000)
Subtotal	1.00	120,936	(24,639)
OFFICE OF RETIREMENT SERVICES			
• Benefits Division Staffing	1.00	219,989	0
• Investments Division Staffing	0.00	(17,520)	0
Subtotal	1.00	202,469	0
Subtotal Mayor, City Council, and Appointees	**0.00**	**(387,482)**	**(688,310)**
CITY-WIDE EXPENSES			
• Customer Experience Transformation		3,900,000	3,900,000

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds ($)	Fund ($)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		(2,000,000)	(2,000,000)
• Earmarked Reserves: Essential Services Reserve		2,000,000	2,000,000
Subtotal Other Changes	0.00	3,900,000	3,900,000
Total Proposed Budget Changes	**0.00**	**3,512,518**	**3,211,690**

OFFICE OF THE CITY ATTORNEY



MISSION

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

Primary Partners

Mayor and City Council

Office of the City Attorney

Office of the City Auditor

Office of the City Clerk

Office of the City Manager

Office of the Independent Police Auditor

Office of Retirement Services

CSA OUTCOMES

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

OFFICE OF THE CITY ATTORNEY

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: CITY BUSINESS IS CONDUCTED LAWFULLY

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

OUTCOME 2: CITY'S INTERESTS ARE PROTECTED AND BUSINESS GOALS ARE ADVANCED

- ✓ Initiate and defend lawsuits and other legal actions involving the City.
- ✓ Initiate collection actions on behalf of the City for matters where the debt is over $200,000.
- ✓ Provide legal representation at administrative hearings.
- ✓ Prosecute select municipal code violations to address serious health and safety concerns.
- ✓ Investigate and respond to claims filed against the City.
- ✓ Conduct and coordinate confidential internal City investigations.
- ✓ Devote considerable resources to respond to increasingly complex discovery and Public Records Act requests involving electronic data.

OFFICE OF THE CITY AUDITOR





MISSION

Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government by independently assessing and reporting on City operations and services

Primary Partners

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

CSA OUTCOMES

- ❒ Identify Ways to Increase the Economy, Efficiency, Effectiveness, Equity, and Accountability of City Government
- ❒ Provide Independent, Reliable, Accurate, and Timely Information to the City Council, City Management, and the General Public

OFFICE OF THE CITY AUDITOR

OVERVIEW

Budget Dollars at Work: Performance Goals

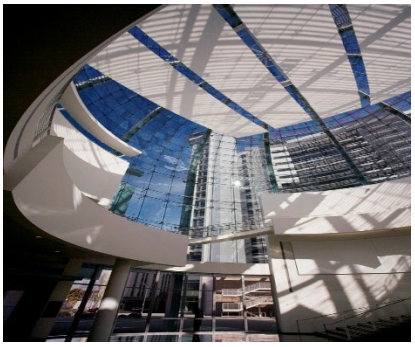
OUTCOME 1: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, EQUITY, AND ACCOUNTABILITY OF CITY GOVERNMENT

- ✓ Conduct performance audits, special audits, and reviews that identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government. The Office's 2026-2027 Audit Workplan will target City Council and other City Appointee concerns and areas identified in the City Auditor's City-Wide risk assessment model.
- ✓ Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30 and December 31 each year. Through December 2025 approximately 88% of the 664 recommendations made over the last 10 years have been implemented.
- ✓ The Office will continue to work to improve the availability and usage of audited performance data and focus audit recommendations on improving City services through better use of technology and data.

OUTCOME 2: PROVIDE INDEPENDENT, RELIABLE, ACCURATE, AND TIMELY INFORMATION TO THE CITY COUNCIL, CITY MANAGEMENT, AND THE GENERAL PUBLIC

- ✓ Prepare audit reports and memoranda that provide independent, reliable, accurate, and timely information to the City Council. The 2026-2027 Audit Workplan will be submitted for City Council approval in August 2026.
- ✓ Provide performance reporting and enhance the display of online performance information. In December 2025, the Office published the City's 18th *Annual Report on City Services*. The Office will continue this project in 2026-2027 and will continue to work with City staff on audit projects designed to improve the City's performance management and reporting systems.
- ✓ Continue to improve the City Auditor website. The Office's website includes copies of audit reports issued by the Office since 2005 and links to the City Council Committee archive video of the hearings where available. The Office will continue to translate audit results into multiple languages and ensure that information on the site is current and relevant.

OFFICE OF THE CITY CLERK





MISSION

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

Primary Partners

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

CSA OUTCOMES

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

OFFICE OF THE CITY CLERK

OVERVIEW

Budget Dollars at Work: Performance Goals

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

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

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

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

- ✓ Successfully conducting municipal elections for the City Council members and ballot measures;
- ✓ Creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings; additionally, provide legislative services to all other Council Committees by writing and distributing minutes pertaining to Ordinances, Resolutions, and Charter Amendments;
- ✓ Continuing to conduct City Council Meetings and City Board, Commissions, and Committee meetings as needed in coordination with the Office of the City Manager, and ensure the availability of Spanish and Vietnamese interpretation services along with over 50 other languages for City Council meetings, study sessions, and committee meetings using artificial intelligence technology;
- ✓ Posting all changes to the San José Municipal Code and the City Council Policy Manual on the web; publishing and distributing hardcopy supplements;
- ✓ Creating and maintaining a legislative history of City Council, Successor Agency to the Redevelopment Agency, and related entities' actions; and indexing and filing all public records such that the records can be retrieved in a timely manner and the history is readily available;
- ✓ Conducting the recruitment, application, and selection processes for boards and commissions through the Council Appointment Advisory Commission; directing City Council interview and appointment; and facilitating the City Council's appointment of public members to the Retirement Boards and the Civil Service Commission;
- ✓ Conducting employee and retiree elections for the employee and retiree members, as applicable, of both Retirement Boards and the Civil Service Commission;
- ✓ Providing administrative support services to the Board of Fair Campaign and Political Practices, Civil Service Commission, City Council Salary Setting Commission, and City Council Appointment Advisory Commission;
- ✓ Researching City Council actions and records from the adoption of the City Charter to the present;
- ✓ Providing administrative support including fiscal management, human resources administration, budgeting, grant administration, and procurements for the Mayor and City Council Offices; and
- ✓ Accepting and making available all Statements of Economic Interests, campaign finance disclosure forms, lobbyist registration and reporting forms, and all disclosures required of the Mayor and City Council members (calendars, fundraising solicitations, and outside income disclosure).

OFFICE OF THE CITY MANAGER





MISSION

Provide strategic leadership to the Mayor and City Council to support their public policy decision making and the City organization to ensure the delivery of accessible, equitable, and quality services that meet our diverse community needs

Primary Partners

Mayor and City Council

Office of the City Attorney

Office of the City Auditor

Office of the City Clerk

Office of the City Manager

Office of the Independent Police Auditor

CSA OUTCOMES

- ❒ Supported and Actively Engaged Employees who are Empowered to Deliver Inclusive, Customer-Focused, and Results-Driven Services.
- ❒ A Responsible Policy, Administrative, and Budgetary Framework for Organizational Decision Making and Efficient and Effective Service Delivery.

Office of the City Manager

OVERVIEW

Budget Dollars at Work: Performance Goals

Performance goals for department City Service Areas (CSA) and Core Services are described throughout this document. This section describes what is needed from a leadership perspective to guide and achieve those goals and is organized around key efforts and objectives of the Office of the City Manager based on two outcomes.

OUTCOME 1: SUPPORTED AND ACTIVELY ENGAGED EMPLOYEES WHO ARE EMPOWERED TO DELIVER INCLUSIVE, CUSTOMER-FOCUSED, AND RESULTS-DRIVEN SERVICES

- ✓ Focus on recruiting, hiring, and retaining City employees so that service-delivery is maximized to the community.
- ✓ Provide strategic leadership for the organization, support the City Council, and motivate the workforce to deliver high quality and inclusive services in an environment of increasing demands and limited resources.
- ✓ Engage the workforce through ongoing, structured communication and ongoing implementation of an overarching workforce support and development strategy to effectively engage, recruit, and retain top talent.
- ✓ Work with employees to develop the organization's capacity in civic engagement and make a positive difference in the lives of our community.
- ✓ Invest in employees by aligning their development needs with the current and future needs of the City.
- ✓ Ensure employees have access to training and the resources needed to feel safe and supported in the workplace, including providing and promoting programs that foster employee health and wellness.
- ✓ Foster constructive and professional working relationships with the City's employee labor unions.
- ✓ Champion the City's Mentorship program as an opportunity for City leadership to support employee growth and development in their career with the City.
- ✓ Provide organizational and customer service improvement efforts through implementation of the Customer Experience (CX) Transformation project to improve how we do business, streamline processes, increase employee empowerment, and achieve results in an environment of constant change, increasing complexity, and constrained financial resources.

Office of the City Manager

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: A RESPONSIBLE POLICY, ADMINISTRATIVE, AND BUDGETARY FRAMEWORK FOR ORGANIZATIONAL DECISION-MAKING AND EFFICIENT AND EFFECTIVE SERVICE DELIVERY.

- ✓ Focus on providing the leadership necessary for organizational initiatives that continue to position the City as a more focused, efficient, and sustainable organization for the future.
- ✓ Coordinate City agenda items for City Council consideration, including preparation and development of City Council and study session meeting scheduling, and track and monitor City Council referrals for appropriate departmental follow-up. Disseminate City Information Memoranda that support monitoring the organization's work.
- ✓ Provide staff expertise, written memoranda reports, and general staffing support for City Council Committees, Commissions, and working groups.
- ✓ Strengthen the City-County partnership and regional governance partnerships by meeting regularly, supporting meetings between key City and County elected officials and staff, and focusing attention on issues of shared services between agencies.
- ✓ Promote intergovernmental relations with strong advocacy for the City's budgeting, policy, and community needs at the regional, state, and federal levels.
- ✓ Provide City Council, Department/Office, and public access to performance management and evaluation tools for policy making and priority setting within the budget process and service delivery system to ensure accountability and transparency.
- ✓ Provide organizational strategic support, training, tools, and capacity building that advance racial and social equity, through decision-making that strongly considers historically underserved communities through the intersections of race, ethnicity, national origin, immigration status, gender, sexual orientation, disability, religion, and other forms of marginalization.
- ✓ Provide appropriate service delivery when the City recovers from extreme weather events to ensure staff safety and that community and economic recovery efforts are equitable and comprehensive.
- ✓ Continue to strategically target efforts that challenge the organization to develop innovative ways to deliver services and streamline operations to be more efficient, including the digital delivery of City services and operations.
- ✓ Provide support to the City Council in implementing fiscal sustainability and other potential ballot measures or initiatives.
- ✓ Monitor the fiscal and economic environment and adjust the 2026-2027 Adopted Budget, as appropriate, to ensure adequate resources meet approved expenditure levels.
- ✓ Bring forward balanced budgets for the General Fund and all other City funds for 2027-2028 that reflect City Council and community goals, have an applied equity lens, and help ensure fiscal stability for the $5.5 billion Proposed Budget, with 152 Operating and Capital funds, impacting approximately 6,924 budgeted positions.

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OFFICE OF RETIREMENT SERVICES





MISSION

Deliver accurate and timely retirement benefits and services while prudently managing the assets entrusted to us with integrity, accountability, and a long-term vision

Primary Partners

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

CSA OUTCOMES

- ❒ Retirement Plans are Properly Administered.
- ❒ Ensure Fiscally Sound Investments to Satisfy Retirement Plans' Obligations.

OFFICE OF RETIREMENT SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RETIREMENT PLANS ARE PROPERLY ADMINISTERED

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

OUTCOME 2: ENSURE FISCALLY SOUND INVESTMENTS TO SATISFY RETIREMENT PLANS' OBLIGATIONS

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

Airport Department

Mukesh Patel, Director of Aviation

MISSION

To connect, serve, and inspire

CITY SERVICE AREA

Transportation and Aviation Services

CORE SERVICES

AIRPORT FACILITIES

Maintenance of all Airport facilities including public spaces, oversight of airfield lighting and maintenance, building automation controls, electrical and mechanical systems, baggage handling systems, central plant, grounds, and landscaping; janitorial services; and manage the Capital asset replacement program and implement the Capital Improvement Program, including planning and coordinating construction activities at the Airport, in compliance with applicable federal, State, and local regulations and environmental requirements.

AIRPORT MARKETING AND COMMUNICATIONS

Promote new air service to business and leisure travelers; inform Airport customers of our wide variety of traveler services; build the Airport's brand through advertisements, sponsorships, and community engagement; communicate effectively with passengers, the public, and the media.

AIRPORT OPERATIONS

Day-to-day management and oversight of the Airport to ensure safe and efficient operations such as operation of the airfield, general aviation facilities, emergency planning and coordination, Airport Operations Center, badging and security coordination, parking facilities, shuttle operations, ground transportation, roadway/curbside enforcement programs, and Automatic Vehicle Identification system.

Strategic Support: Financial Management; Human Resources; Information Technology; Management/Administration, and Emergency Response and Recovery

Airport Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Airport Facilities Core Service	
Airport Facilities Administration	Provides services necessary for the administration of the Facilities Division, as well as management and oversight of the Facilities Division functions.
Airport Facilities Parking and Roadways Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport roadways, parking facilities, grounds, and landscaping.
Airport Planning and Capital Development	Implements the Airport's Capital Improvement Program; plans and coordinates design and construction activities at the Airport; ensures compliance with applicable federal, State, and local codes and environmental regulations and requirements; and coordinates with the Federal Aviation Administration, regional transportation planning agencies, and providers.
Airport Terminals Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of all Airport terminal facilities, including public and common space, electrical and mechanical systems, HVAC and utilities, custodial services, and baggage handling systems.
Airside Maintenance	Manages the maintenance and repair of infrastructure necessary for the proper operation of the airfield, including pavement, runways and taxiways, paint, lighting, and grounds.
Airport Marketing and Communications Core Service	
Airport Marketing and Communications	Supports the Airport by informing passengers traveling through the Airport of service options; promoting new air service and airlines; publicizing the Airport to travelers and growing the Airport's market share; developing and building the Airport's brand; and communicating effectively with passengers, the public, and the media.
Airport Operations Core Service	
Airport Parking and Roadway Operations	Supports and manages landside operational activities, including parking facilities, airport shuttle bus operations, ground transportation, and roadway/curbside management and enforcement programs.
Airside Operations	Supports and manages airside operational activities, including oversight of the airfield, airfield security and access control, noise monitoring, wildlife control, emergency planning, and compliance with Federal Aviation Administration (FAA) Regulations.
Operations Administration	Provides services necessary for the administration of the Operations Division, as well as support for General Aviation and other non-commercial activities.
Terminals Operations	Provides on-site terminal support and management, including coordination with airlines and other terminal tenants. Staff provide management of shared-use services (gates, ticket counters), customer service for passenger related activities, terminal access and security controls, and compliance with Transportation Security Administration (TSA) and Customs and Border Protection (CBP) regulations.

Service Delivery Framework

PROGRAM	DESCRIPTION
Strategic Support Core Service	
Airport Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development; provides airport property management for all tenants and property development for all airport land.
Airport Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Airport Information Technology	Provides information technology services, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Airport Management and Administration	Provides executive-level, analytical and administrative support to the department.
Airport Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Operate San José Mineta International Airport (SJC) efficiently while meeting all regulatory requirements for security and safety.
- Drive increases to flights and passenger traffic while providing exceptional customer service with new, modern, up-to-date services and amenities.
- Work collaboratively with Airport tenants and other stakeholders to grow the number of passengers and meet the needs of the current aviation travel market.
- Operate the Airport as a good neighbor and ensure environmental stewardship of resources.
- Continue to provide efficient and safe services for passengers, airlines, and tenants while ensuring regulatory compliance, prioritizing maintenance and operations, and providing cost-effective operation of the Airport's shared-use model.

2026-2027 Key Budget Actions

- Adds ongoing non-personal/equipment funding of $200,000 to expand landscape maintenance to include three additional areas on the northeast side of the Airport campus.
- Adds one-time non-personal/equipment funding of $150,000 for real estate consulting services to facilitate the development of Airport-owned land to generate revenue.
- Reduces contractual services and adds 1.0 Airport Operations Supervisor position to oversee the FAA mandated Airside Wildlife Program.

Operating Funds Managed

- Airport Customer Facility and Transportation Fee Fund
- Airport Fiscal Agent Fund
- Airport Maintenance and Operation Fund
- Airport Revenue Fund
- Airport Surplus Revenue Fund

Airport Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Airport Facilities	41,696,653	46,262,815	46,816,899	47,042,899
Airport Marketing and Communications	4,473,229	4,428,995	4,102,808	4,102,808
Airport Operations	31,988,167	38,194,319	37,725,854	37,788,775
Strategic Support - Other - Transportation & Aviation	172,677,825	84,752,492	85,895,467	85,919,595
Strategic Support - Transportation & Aviation	30,249,387	20,720,072	21,305,419	21,456,149
Total	**$281,085,261**	**$194,358,693**	**$195,846,447**	**$196,310,226**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	46,132,359	47,270,514	48,234,119	48,418,290
Overtime	753,489	455,062	500,569	500,569
Subtotal Personal Services	$46,885,848	$47,725,576	$48,734,688	$48,918,859
Non-Personal/Equipment	51,004,657	61,769,125	61,104,792	61,360,272
Total Personal Services & Non-Personal/Equipment	**$97,890,505**	**$109,494,701**	**$109,839,480**	**$110,279,131**
Other Costs *				
City-Wide Expenses	107,128	0	0	0
Debt Service/Financing	159,385,791	75,816,772	77,599,862	77,599,862
Gifts	642	0	0	0
Housing Loans and Grants	0	0	0	0
Other	16,682,669	1,711,500	1,711,500	1,711,500
Other - Capital	0	0	0	0
Overhead Costs	6,758,063	6,985,720	6,548,605	6,572,733
Workers' Compensation	260,463	350,000	147,000	147,000
Total Other Costs	**$183,194,756**	**$84,863,992**	**$86,006,967**	**$86,031,095**
Total	**$281,085,261**	**$194,358,693**	**$195,846,447**	**$196,310,226**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Airport Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	107,128	0	0	0
Airport Customer Facility And Transportation Fee Fund (519)	2,104,477	2,778,233	2,791,233	2,791,233
Airport Fiscal Agent Fund (525)	149,775,631	71,616,772	73,299,862	73,299,862
Airport Maintenance and Operation Fund (523)	118,988,523	115,763,688	115,455,352	115,919,131
Airport Surplus Revenue Fund (524)	10,074,025	4,200,000	4,300,000	4,300,000
Gift Trust Fund (139)	642	0	0	0
Capital Funds	34,835	0	0	0
Total	**$281,085,261**	**$194,358,693**	**$195,846,447**	**$196,310,226**
**Positions by Core Service ** **				
Airport Facilities	94.00	96.00	96.00	96.00
Airport Marketing and Communications	8.00	8.00	8.00	8.00
Airport Operations	66.00	67.00	67.00	68.00
Strategic Support - Transportation & Aviation	60.00	60.00	60.00	60.00
Total	**228.00**	**231.00**	**231.00**	**232.00**

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*** 2024-2025 Actuals may not subtotal due to rounding.
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Airport Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Airport Facilities					
Airport Facilities Administration	2,470,288	2,686,139	2,484,126	2,510,126	8.95
Airport Facilities Parking and Roadways Maintenance	3,604,121	4,216,751	4,158,589	4,358,589	4.90
Airport Planning and Capital Development	6,568,472	7,306,725	7,488,440	7,488,440	25.00
Airport Terminals Maintenance	25,981,593	29,035,903	29,394,518	29,394,518	43.60
Airside Maintenance	3,072,179	3,017,297	3,291,226	3,291,226	13.55
Sub-Total	**41,696,653**	**46,262,815**	**46,816,899**	**47,042,899**	**96.00**
Airport Marketing and Communications					
Airport Marketing and Communications	4,473,229	4,428,995	4,102,808	4,102,808	8.00
Sub-Total	**4,473,229**	**4,428,995**	**4,102,808**	**4,102,808**	**8.00**
Airport Operations					
Airport Parking and Roadway Operations	13,780,188	18,604,527	17,705,614	17,705,614	10.90
Airside Operations	8,126,515	9,122,646	9,451,173	9,513,594	30.92
Operations Administration	1,424,298	1,583,354	1,603,946	1,604,446	7.50
Terminals Operations	8,657,166	8,883,792	8,965,121	8,965,121	18.68
Sub-Total	**31,988,167**	**38,194,319**	**37,725,854**	**37,788,775**	**68.00**
Strategic Support - Other - Transportation & Aviation					
Airport Capital	34,835	0	0	0	0.00
Airport Funds Debt/Financing Costs	149,311,766	75,816,772	77,599,862	77,599,862	0.00
Airport Gifts	642	0	0	0	0.00
Airport Other Departmental - City-Wide	5,129	0	0	0	0.00
Airport Other Operational - Administration	16,313,366	1,600,000	1,600,000	1,600,000	0.00
Airport Overhead	6,751,624	6,985,720	6,548,605	6,572,733	0.00

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Airport Workers' Compensation	260,463	350,000	147,000	147,000	0.00
Sub-Total	**172,677,825**	**84,752,492**	**85,895,467**	**85,919,595**	**0.00**
Strategic Support - Transportation & Aviation					
Airport Financial Management	20,204,224	9,931,705	10,285,657	10,435,657	35.00
Airport Human Resources	1,083,980	1,211,798	1,236,780	1,236,780	5.00
Airport Information Technology	6,259,717	7,034,573	7,171,454	7,172,184	14.00
Airport Management and Administration	2,701,466	2,541,996	2,611,528	2,611,528	6.00
Sub-Total	**30,249,387**	**20,720,072**	**21,305,419**	**21,456,149**	**60.00**
Total	**$281,085,261**	**$194,358,693**	**$195,846,447**	**$196,310,226**	**232.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Airport Department
Budget Reconciliation
Personal Services and Non-Personal/Equipment
(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)
Prior Year Budget (2025-2026):	**231.00**	**109,494,701**
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• 2026 Sporting Events Destination Marketing and Support		(300,000)
• Fire Sprinkler Testing		(180,000)
• Airport Customer Service Symposium		(75,000)
• Airport FAA Mandated Safety Management System Staffing		(730)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(555,730)**
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations: - 1.0 Associate Engineer to 1.0 Senior Painter	0.00	955,616
• Operations & Maintenance: Airport Operations		552,891
• Budget Realignment: Airport Planning and Capital Development		305,000
• Utilities: Electricity, Gas, Water		125,000
• Vehicle Operations & Maintenance		56,000
• Overtime Adjustment		45,507
• Night Shift Differential Adjustment		7,989
• Budget Realignment: Airport Operations Cost Savings		(1,147,494)
Technical Adjustments Subtotal:	**0.00**	**900,509**
2026-2027 Forecast Base Budget:	**231.00**	**109,839,480**
Budget Proposals Recommended		
1. Airport Facilities Landscape Management		200,000
2. Airport Real Estate Development		150,000
3. Airport FAA Mandated Wildlife Staffing (Continuation)	1.00	63,651
4. Vehicle Operations and Maintenance (Fleet Staffing)		26,000
Total Budget Proposals Recommended	**1.00**	**439,651**
2026-2027 Proposed Budget Total	**232.00**	**110,279,131**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)

1. **Airport Facilities Landscape Management** **200,000**

Transportation and Aviation Services CSA
Airport Facilities Core Service
Airport Facilities Parking and Roadways Maintenance Program

This action adds ongoing non-personal/equipment funding of $200,000 to expand the existing landscape services contract to include three additional locations on the northeast side of the Airport campus. This allows for the new areas to receive the same level of professional landscape maintenance as adjacent facilities, as they are currently not being regularly maintained. The expanded scope will include the Terminal A Parking Garage, Parking Lot 1 landscaped areas, and the slope between Parking Lot 1 and the fencing along Highway 101. Expanding the existing contract mitigates operational risk by maintaining consistency in landscape appearance, maintenance practices, and service quality across high-visibility and heavily trafficked areas of the campus. (Ongoing costs: $200,000)

2. Airport Real Estate Development **150,000**

Transportation and Aviation Services CSA
Strategic Support – Transportation & Aviation Core Service
Airport Financial Management Program

As directed by the Mayor's March Budget Message, as approved by the City Council, this action adds one-time non-personal/equipment funding of $150,000 for real estate consultant services. San José Mineta International Airport (SJC) is actively pursuing commercial development opportunities on several Airport-owned properties to maximize long-term revenue generation and support the Airport's financial sustainability. Near-term development sites include the Coleman Avenue property near Guadalupe River Park and Gardens and the Orange Lot property on the west side of the airfield, both of which would benefit from specialized real estate expertise to support procurement activities. A qualified real estate consultant will provide technical expertise throughout the procurement and development process, including market analysis, development feasibility, solicitation strategy, and evaluation support. The consultant will assist in refining the development scope, reviewing and evaluating proposer submittals, and ensuring that procurement documents are structured to attract high-quality, competitive proposals that align with the Airport's revenue and operational objectives. Additional funding may be needed for future development projects, which, if needed, would be brought forward for City Council consideration as part of a future budget process. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)
3. Airport FAA Mandated Wildlife Staffing (Continuation)	**1.00**	**63,651**

Transportation and Aviation Services CSA
Airport Operations Core Service
Airside Operations and Operations Administration Programs
Airport Operations Core Service
Airport Information Technology Program

This action continues and makes permanent 1.0 Airport Operations Supervisor position that is part of the Airport's Airside and Emergency Planning Division, which oversees the Airport's Wildlife Hazard Management Program, ensuring the safety of airport operations by preventing and mitigating wildlife hazards. A reduction to the United States Department of Agriculture budget of $121,750 partially offsets this action, as associated functions were previously contracted. The Federal Aviation Administration (FAA) requires that airports certified under Federal Aviation Regulation (FAR) Part 139 implement and maintain comprehensive wildlife and pest management plans that utilize both lethal and nonlethal control methods such as trapping, hazing, and harassment. In addition, airports must also manage wildlife populations, respond to strike incidents, and ensure ongoing regulatory compliance. (Ongoing costs: $62,921)

4. Vehicle Operations and Maintenance (Fleet Staffing)		**26,000**

Transportation and Aviation Services CSA
Airport Facilities Core Service
Airport Facilities Administration Program

This action adds non-personal/equipment funding of $26,000 for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. Airport proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $31,000)

2026-2027 Proposed Budget Changes Total	**1.00**	**439,651**

Airport Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Airport Marketing and Communications

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	Cost per paid digital media impression	$ 0.010	$ 0.013	$ 0.010	$ 0.013

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of website visits	4.6M	4.8M	4.4M	5.0M
AWH 2	# of paid digital media impressions	81.2M	62.6M	60.3M	70.0M

Data Sources: Airport Marketing and Communications

Number	Data Source
PM 1	SJC Marketing Consultant
AWH 1	Google Analytics
AWH 2	SJC Marketing Consultant

Airport Department

Performance Summary

Airport Facilities Maintenance

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of corrective work orders completed within 5 days	42.3%	53.5%	55.4%	57.9%
PM 2	% of completed preventative maintenance work hours	59.0%	64.0%	64.3%	66.8%
PM 3	% of Environment Compliance violations resolved within the required timeline	92.0%	70%[1]	90.0%	70.0%

[1] The decreased percentage of violations resolved is attributed to a higher number of inspections which lead to more violations to resolve within the timeline.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of preventative maintenance work hours	26,768	27,100	27,096	27,773
AWH 2	Total # of Environmental Compliance inspections	24	20	60 [2]	20
AWH 3	# of Environmental Compliance inspections that result in violations	21	10	47 [2]	10

[2] Higher inspection and violation counts estimated in 2025-2026 as a result of the County conducting Hazardous Material Business Plan inspections across three months, rather than inspecting all sites in a single month, and the deployment of two Fire Department teams (HazMat and Fire Prevention) inspecting the locations separately rather than a combined visit. Should the elevated number of inspections continues, projections will be updated accordingly.

Data Sources: Airport Facilities Maintenance

Number	Data Source
PM 1	Hexagon Enterprise Asset Management Database
PM 2	Hexagon Enterprise Asset Management Database
PM 3	Hexagon Enterprise Asset Management Database
AWH 1	Environmental Regulatory Agency Inspections
AWH 2	Environmental Regulatory Agency Inspections
AWH 3	Environmental Regulatory Agency Inspections

Airport Department

Performance Summary

Airport Operations

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of Federal Aviation Administration FAR 139 inspection discrepancies for airport safety resolved within 90 days	100.0%	100.0%	100.0%	100.0%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of annual operations (take offs and landings)	162,134	160,000	152,832	150,000
AWH 2	# of aircraft noise complainants	135	150	127	131
AWH 3	# of non-compliant curfew violations	123	55	129	126

Data Sources: Airport Operations

Number	Data Source
PM 1	SJC Airport Operations Division.The FAR 139 inspections assess the Airport's adherence to operational and safety standards ensuring safety in air transportation.
AWH 1	SJC Monthly Activity Reports
AWH 2	Envirosuite & Veoci Databases
AWH 3	Envirosuite & Veoci Databases

Airport Department

Performance Summary

Strategic Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of Airport Concessions Disadvantaged Business Enterprise (ACDBE) participation (Airport)	N/A*	17.6%	N/A*	N/A*

* As of Oct 3, 2025, an Interim Final rule was published in the Federal Register removing the US D.O.T Disadvantaged Business Enterprise program's race- and sex-based presumptions of social disadvantage. This action requires all currently certified Airport Concession Disadvantaged Business Enterprise (ACDBE) entities to recertify that they meet the new standards, and to decertify if they no longer qualify. Performance Measure goals are pending applicant recertification.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total Non-Airline Revenue	$119,822,603	$123,193,346	$122,832,160	$117,305,576
AWH 2	Total Airline Revenue	$119,301,384	$117,515,974	$108,257,996	$117,445,260

Data Sources: Strategic Support

Number	Data Source
PM 1	Self-report from ACDBE businesses
AWH 1	Airport Annual Comprehensive Financial Report, Airline Rates & Charges Analysis Report
AWH 2	Airport Annual Comprehensive Financial Report, Airline Rates & Charges Analysis Report

Airport Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	4.00	4.00	-
Accounting Technician	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	3.00	-
Air Conditioning Supervisor	1.00	1.00	-
Air Service Development Manager	1.00	1.00	-
Airport Equipment Mechanic	8.00	8.00	-
Airport Maintenance Supervisor	4.00	4.00	-
Airport Operations Manager I/II	4.00	4.00	-
Airport Operations Superintendent I/II	5.00	5.00	-
Airport Operations Supervisor I/II/III	18.00	19.00	1.00
Analyst I/II	7.00	7.00	-
Assistant Director of Aviation	1.00	1.00	-
Associate Engineer	4.00	3.00	(1.00)
Associate Engineering Technician	1.00	1.00	-
Associate Structure/Land Designer	1.00	1.00	-
Aviation Security and Permit Specialist	5.00	5.00	-
Building Management Administrator	1.00	1.00	-
Carpenter	1.00	1.00	-
Dept Information Tech Manager	1.00	1.00	-
Deputy Director	5.00	5.00	-
Director of Aviation	1.00	1.00	-
Division Manager	3.00	3.00	-
Electrician I/II	4.00	4.00	-
Electrician Supervisor	1.00	1.00	-
Engineer I/II	4.00	4.00	-
Environmental Services Program Manager	1.00	1.00	-
Environmental Services Specialist	2.00	2.00	-
Geographic Info Systems Specialist I/II	2.00	2.00	-
Information Systems Analyst	3.00	3.00	-
Maintenance Assistant/Maintenance Worker I	14.00	14.00	-
Maintenance Manager	1.00	1.00	-
Maintenance Superintendent	0.00	0.00	-
Maintenance Worker II	13.00	13.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist I/II	2.00	2.00	-
Painter	2.00	2.00	-
Planner I/II/III	1.00	1.00	-
Planner IV	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Property Manager	1.00	1.00	-
Program Manager	3.00	3.00	-
Property Manager I/II	6.00	6.00	-
Public Information Manager	2.00	2.00	-

Airport Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Public Information Representative I/II	3.00	3.00	-
Senior Account Clerk	3.00	3.00	-
Senior Accountant	4.00	4.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Airport Equipment Mechanic	2.00	2.00	-
Senior Airport Operations Specialist I/II/III	27.00	27.00	-
Senior Analyst	9.00	9.00	-
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Electrician	2.00	2.00	-
Senior Electronic Systems Technician	1.00	1.00	-
Senior Engineer	1.00	1.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Maintenance Worker	4.00	4.00	-
Senior Painter	0.00	1.00	1.00
Senior Property Manager I/II	2.00	2.00	-
Senior Public Information Representative	2.00	2.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Senior Warehouse Worker	1.00	1.00	-
Sign Shop Technician	1.00	1.00	-
Staff Specialist	4.00	4.00	-
Supervising Accountant	2.00	2.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervisor, Trades	2.00	2.00	-
Systems Application Programmer I/II	1.00	1.00	-
Total Positions	**231.00**	**232.00**	**1.00**

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Office of the City Attorney

Susana Alcala Wood, City Attorney

MISSION

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

CITY SERVICE AREA

Strategic Support

CORE SERVICES

LEGAL SERVICES

Advocate, defend, and prosecute on behalf of the City's interests. Provide oral and written advice on legal issues and prepare documents to implement official City actions.

Strategic Support: Administrative Support and Emergency Response and Recovery.

Office of the City Attorney

Service Delivery Framework

PROGRAM	DESCRIPTION
Legal Services Core Service	
Legal Representation	Provides legal representation to advocate, defend, and prosecute matters on behalf of the City and the Successor Agency to the Redevelopment Agency. This involves a variety of activities, including defense of lawsuits; general liability claims management; prosecution of municipal code violations; workers' compensation investigations and litigation; seeking injunctions for general nuisance, gang, and drug abatements; alternative dispute resolution and contract dispute assistance; and initiation of litigation which can result in significant revenue collections.
Legal Transactions	Provides oral and written legal counsel and advice to the Mayor, City Council, Council Appointees, City departments, City boards, commissions, and committees, and to the Successor Agency to the Redevelopment Agency, and is responsible for review and preparation of ordinances, resolutions, contracts, permits, and other legal documents to implement official City and Agency actions.
Strategic Support Core Service	
City Attorney Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.
City Attorney Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Attorney

Department Budget Summary

Expected 2026-2027 Service Delivery

- The City Attorney's Office (CAO) will continue to provide legal representation and advice while facing the challenge of meeting legal services demands largely driven by external factors.
- Transactional legal assignments are generated by City Council direction and department requests that are often driven by technology innovations, economic conditions, and state and federal mandates.
- CAO will prioritize defending the City and its employees against the frequent and increasing number of claims and lawsuits seeking awards for a variety of real and perceived injuries, regardless of the City's factual or legal responsibility. Litigation services will include, prelitigation settlement negotiations, initiating lawsuits when required to recover monetary losses or otherwise protect City interests, prosecuting Municipal Code violations, pursuing Gun and Workplace Violence Restraining Orders, handling the City's worker's compensation claims, and participating in affirmative litigation at Council's direction.
- **Council Priorities**: continue to support departmental efforts addressing issues related to quality of life, the unhoused population, encampments, large vehicle and overnight parking prohibitions, and interim housing.
- **Airport, Energy, Sanitary Sewer and Storm, Solid Waste Enterprise Programs**: provide legal advice on new programs; power procurement and regulatory compliance; franchise to LS Power Grid California, LLC for the purpose of transmitting electric service in the City's public rights-of-way; advise on public-private financing; advise on San José-Santa Clara Regional Wastewater Facility Capital Improvement Program, including Microsoft Development Agreement.
- **Economic Development**: collaborate with staff to facilitate success of SJ26 events.
- **Housing**: provide legal advice and support on implementing more than 100 policies and strategies in the Housing Element; continue legal guidance on approximately 20 Builder's Remedy applications; and work with the California Housing and Community Development (HCD) on pro-housing designation for the City.
- **Tax Revenue**: monitor and advocate in ongoing tax disputes, negotiate banking services agreements, and advise on tax audits.
- **Transportation**: support the departments in the implementation of BART Phase II, reimagining of Diridon Station, and updates to the regulatory framework governing micromobility devices.
- **Development Fees:** continue to support and provide legal guidance on the Development Fee Framework and related City Council Policy to align City fees.
- **Labor Enforcement:** advise on prevailing wage and living wage requirements and wage theft investigations and enforcement.

2026-20207 Key Budget Actions

- Makes permanent 1.0 Deputy City Attorney position to provide sustained support for Municipal Code enforcement.
- Eliminates 1.0 Legal Analyst position responsible for court forms, pleadings, and discovery; 1.0 Legal Administrative Assistant position assigned to e-filing, processing contracts, and coordinating court appearances; and, 1.0 Office Specialist position responsible for the front desk coverage and general administrative support.

Operating Funds Managed

N/A

Office of the City Attorney

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Legal Services	24,048,546	24,796,941	24,624,883	24,540,228
Strategic Support - City Council Appointees	2,031,605	2,028,135	1,757,721	1,639,740
Strategic Support - Other - Council Appointees	17,554,713	8,230,575	8,032,031	8,021,794
Total	**$43,634,864**	**$35,055,651**	**$34,414,635**	**$34,201,762**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	24,353,832	25,001,900	24,609,561	24,406,925
Overtime	8,512	0	0	0
Subtotal Personal Services	$24,362,344	$25,001,900	$24,609,561	$24,406,925
Non-Personal/Equipment	1,602,566	1,805,509	1,751,509	1,751,509
Total Personal Services & Non-Personal/Equipment	**$25,964,910**	**$26,807,409**	**$26,361,070**	**$26,158,434**
Other Costs *				
City-Wide Expenses	17,375,053	7,159,000	7,000,000	7,000,000
Housing Loans and Grants	0	0	0	0
Other	60,000	17,667	21,534	21,534
Other - Capital	0	0	0	0
Overhead Costs	234,901	1,071,575	1,032,031	1,021,794
Total Other Costs	**$17,669,954**	**$8,248,242**	**$8,053,565**	**$8,043,328**
Total	**$43,634,864**	**$35,055,651**	**$34,414,635**	**$34,201,762**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Attorney

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	36,478,733	27,139,291	26,423,204	26,267,784
Airport Maintenance and Operation Fund (523)	739,870	869,997	805,484	797,114
Building Development Fee Program Fund (237)	661	0	0	0
Citywide Planning Fee Program Fund (239)	93,376	91,690	89,394	89,394
Community Development Block Grant Fund (441)	63,106	41,542	69,482	69,482
Home Investment Partnership Program Trust Fund (445)	0	0	0	0
Housing Trust Fund (440)	104,967	48,842	139,736	139,736
Integrated Waste Management Fund (423)	197,131	245,122	218,073	218,073
Low and Moderate Income Housing Asset Fund (346)	1,076,317	1,688,275	1,548,717	1,548,717
Multi-Source Housing Fund (448)	87,727	89,033	285,131	285,131
Planning Development Fee Program Fund (238)	495,049	472,752	495,083	495,083
Real Property Transfer Tax Fund (404)	588,172	584,341	594,298	594,298
Rental Stabilization Program Fee Fund (450)	309,290	311,287	316,284	316,284
San José Clean Energy Operating Fund (501)	1,051,703	1,293,134	1,291,078	1,291,078
San José-Santa Clara Treatment Plant Operating Fund (513)	231,931	299,366	313,010	313,010
Sewer Service and Use Charge Fund (541)	962,902	934,178	664,378	615,295
Storm Sewer Operating Fund (446)	191,619	187,863	271,141	271,141
Water Utility Fund (515)	140,704	186,845	232,787	232,787
Workforce Development Fund (290)	114,511	140,536	135,659	135,659
Capital Funds	707,095	431,557	521,696	521,696
Total	**$43,634,864**	**$35,055,651**	**$34,414,635**	**$34,201,762**
Positions by Core Service **				
Legal Services	80.80	80.80	79.80	78.80
Strategic Support - City Council Appointees	7.70	7.70	7.70	6.70
Total	**88.50**	**88.50**	**87.50**	**85.50**

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*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Attorney

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Legal Services					
Legal Representation	11,592,190	12,037,620	11,909,138	11,890,012	38.14
Legal Transactions	12,456,356	12,759,321	12,715,745	12,650,216	40.66
Sub-Total	**24,048,546**	**24,796,941**	**24,624,883**	**24,540,228**	**78.80**
Strategic Support - City Council Appointees					
City Attorney Management and Administration	2,031,605	2,028,135	1,757,721	1,639,740	6.70
Sub-Total	**2,031,605**	**2,028,135**	**1,757,721**	**1,639,740**	**6.70**
Strategic Support - Other - Council Appointees					
City Attorney Other Departmental - City-Wide	17,274,656	7,159,000	7,000,000	7,000,000	0.00
City Attorney Other Operational - Administration	127,878	0	0	0	0.00
City Attorney Overhead	152,179	1,071,575	1,032,031	1,021,794	0.00
Sub-Total	**17,554,713**	**8,230,575**	**8,032,031**	**8,021,794**	**0.00**
Total	**$43,634,864**	**$35,055,651**	**$34,414,635**	**$34,201,762**	**85.50**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Office of the City Attorney

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**88.50**	**26,807,409**	**19,980,291**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget		(75,000)	(75,000)
• Legal Representation Staffing (1.0 Deputy City Attorney I/II/III/IV)	(1.00)	(240,923)	(240,923)
One-time Prior Year Expenditures Subtotal:	**(1.00)**	**(315,923)**	**(315,923)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Supervisor, Administration to 1.0 Accounting Technician	0.00	(151,430)	(333,969)
• Contract Services: Court Services		13,000	13,000
• Software/Information Services: Electronic Discovery		4,500	4,500
• Software/Information Services: Case Management Application (ProLaw)		1,800	1,800
• Software Information/Services: Bar Education (OnLaw Pro Unlimited)		1,700	1,700
• Fund Shift: General Legal Support Staffing	0.00	14	71,805
Technical Adjustments Subtotal:	**0.00**	**(130,416)**	**(241,164)**
2026-2027 Forecast Base Budget:	**87.50**	**26,361,070**	**19,423,204**
Budget Proposals Recommended			
1. Legal Representation Staffing (Municipal Code Enforcement)	1.00	220,697	220,697
2. Legal Representation Staffing	(1.00)	(159,728)	(119,794)
3. Legal Transactions Staffing	(1.00)	(145,624)	(138,342)
4. Administration Support Staffing	(1.00)	(117,981)	(117,981)
Total Budget Proposals Recommended	**(2.00)**	**(202,636)**	**(155,420)**
2026-2027 Proposed Budget Total	**85.50**	**26,158,434**	**19,267,784**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Legal Representation Staffing (Municipal Code Enforcement)	**1.00**	**220,697**	**220,697**

Strategic Support – Council Appointees CSA
Legal Services Core Service
Legal Representation Program

This action continues and makes permanent 1.0 Deputy City Attorney position to provide sustained support for Municipal Code enforcement. With the implementation of the City's Code of Conduct for homeless encampments in July 2025 and ongoing initiatives to deter blight, illegal dumping, and unfair business practices, maintaining this dedicated legal capacity is necessary for the Office of the City Attorney to effectively prosecute violations. There are currently 50 open cases requiring affirmative legal action, including the initiation of litigation, obtaining inspection warrants, and filing for temporary restraining orders and preliminary injunctions to address persistent Municipal Code noncompliance. Targeted enforcement priorities include licensing regulations for cannabis and tobacco sales, unpermitted massage parlors and nightclubs, prostitution, and nuisance abatement involving illegal fireworks, blighted sites, and contaminated properties. (Ongoing costs: $220,697)

2. Legal Representation Staffing	**(1.00)**	**(159,728)**	**(119,794)**

Strategic Support – Council Appointees CSA
Legal Services Core Service
Legal Representation Program

This action eliminates 1.0 vacant Legal Analyst position that performs litigation paralegal duties, including drafting court forms, pleadings, and discovery, as well as preparing administrative records and assisting attorneys with trial preparation. While the remaining team of six litigation legal analysts will absorb these duties, the elimination of this dedicated position will result in operational inefficiencies and extended processing timelines. (Ongoing savings: $163,070)

3. Legal Transactions Staffing	**(1.00)**	**(145,624)**	**(138,342)**

Strategic Support – Council Appointees CSA
Legal Services Core Service
Legal Representation and Legal Transactions Programs

This action eliminates 1.0 vacant Legal Administrative Assistant position. Currently, a team of 10 assistants supports 52 attorneys, managing high-stakes tasks including e-filing pleadings, processing contracts, and coordinating court appearances. The remaining administrative staff will absorb this additional workload; however, this consolidation is expected to extend processing timelines and may lead to delays in case resolution. (Ongoing savings: $149,358)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Administration Support Staffing	**(1.00)**	**(117,981)**	**(117,981)**

Strategic Support – Council Appointees CSA
Legal Services Core Service
City Attorney Management and Administration Program

This eliminates 1.0 filled Office Specialist position, one of two Office Specialist positions responsible for front-desk coverage and general administrative support. However, following the streamlining of operations and evolving business needs in 2025, along with the transition to electronic workflows and the return to onsite operations, the volume of traditional administrative tasks has significantly decreased, reducing the need for dedicated administrative staffing. (Ongoing savings: $117,981)

2026-2027 Proposed Budget Changes Total	**(2.00)**	**(202,636)**	**(155,420)**

Office of the City Attorney

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Legal Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of time final case results are within staff analyses and/or recommendations	N/A[1]	90%	86%	88%
 *PM 2*	Cost of representation and advice and documentation compared to law offices of similar size, practice, and expertise, including other governmental law				
	- City Attorney's Office average hourly rate	$170	$180	$170	$179
	- Outside Legal Counsel average hourly rate	$440	$460	$440	$450
★★★ *PM 3*	% of survey respondents rating legal services satisfactory or better based on quality, cycle time, and professionalism	N/A[1]	90%	73%	82%

[1] The survey is conducted biennially and was not conducted in 2024-2025.

Office of the City Attorney

Performance Summary

Legal Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of claims and lawsuits filed:				
	- Claims filed against the City	452	554	471	462
	- Lawsuits filed against the City	151	135	173	162
	- Lawsuits and administrative actions filed or initiated by the City	276	331	238	257
AWH 2	# of Council/Board/Manager memoranda:				
	- Prepared	1,714	1,362	1,659	1,687
	- Reviewed	957	800	731	844
AWH 3	# of documents reviewed by type:				
	- Resolutions	451	397	269	360
	- Ordinances	137	166	116	127
	- Agreements	2,343	2,252	1,773	2,058

Data Sources: Legal Services

Number	Data Source
PM 1	Office of the City Attorney 2026 Performance Survey
PM 2	Salfringe and report compiled by Legal Analysts
PM 3	Office of the City Attorney 2026 Performance Survey
AWH 1	ProLaw report
AWH 2	ProLaw report
AWH 3	ProLaw report

Office of the City Attorney

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accounting Technician	0.00	1.00	1.00
Assistant City Attorney	2.00	2.00	-
Associate Deputy City Attorney	3.00	3.00	-
Chief Deputy City Attorney	4.00	4.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney I/II/III/IV	13.00	13.00	-
Executive Assistant	1.00	1.00	-
Legal Administrative Assistant	9.50	8.50	(1.00)
Legal Analyst I/II/III	17.00	16.00	(1.00)
Legal Services Administrator	1.00	1.00	-
Legal Services Manager	1.00	1.00	-
Network Engineer	1.00	1.00	-
Office Specialist I/II	2.00	1.00	(1.00)
Senior Deputy City Attorney I/II/III/IV	29.00	29.00	-
Senior Legal Analyst	3.00	3.00	-
Senior Supervisor, Administration	1.00	0.00	(1.00)
Total Positions	**88.50**	**85.50**	**(3.00)**

Office of the City Auditor

Joe Rois, City Auditor

MISSION

Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government by independently assessing and reporting on City operations and services

CITY SERVICE AREA

Strategic Support

CORE SERVICES

AUDIT SERVICES

Conducts performance audits and other services to provide independent analysis, reliable information, and recommendations for improvement to the City Council, City Administration, and the public.

Strategic Support: Administrative Support and Emergency Response and Recovery.

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
Audit Services Core Service	
Performance Audits	Conducts performance audits and other services to provide independent analysis, reliable information, and recommendations for improvement to the City Council, City Administration, and the public.
Strategic Support Core Service	
City Auditor Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.
City Auditor Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Conduct program performance audits identifying ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The 2026-2027 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2026, with a continued focus on searching for operational efficiencies, revenues, and cost-saving opportunities.
- Issue the Annual Report on City Services. This report details the cost, workload, and performance data for City services and is intended to improve government transparency and accountability and provide consolidated performance information to the public, allowing informed decision making by City officials, staff, and the public.
- Provide oversight of external auditors on the City of San José Annual Financial Audit, Single Audit, and audits of its component entities; the Audits of Parks and Recreation Bond, Library Bond, Public Safety and Infrastructure Bond, and Parcel Tax Funds; the Annual Compliance Review of San José Clean Energy's Risk Management Practices; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.
- Monitor the status of open audit recommendations and provide status updates through the online dashboard of audit recommendations and the issuance of two Status of Open Audit Recommendations reports.

2026-2027 Key Budget Actions

N/A

Operating Funds Managed

N/A

Office of the City Auditor

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Audit Services	3,116,655	3,727,892	2,898,051	2,898,051
Strategic Support - City Council Appointees	0	207,649	210,649	210,649
Strategic Support - Other - Council Appointees	528,835	0	547,100	547,100
Total	**$3,645,490**	**$3,935,541**	**$3,655,800**	**$3,655,800**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	2,921,097	3,100,248	2,815,507	2,815,507
Overtime	0	0	0	0
Subtotal Personal Services	$2,921,097	$3,100,248	$2,815,507	$2,815,507
Non-Personal/Equipment	24,367	47,238	47,238	47,238
Total Personal Services & Non-Personal/Equipment	**$2,945,464**	**$3,147,486**	**$2,862,745**	**$2,862,745**
Other Costs *				
City-Wide Expenses	528,835	542,100	547,100	547,100
Housing Loans and Grants	0	0	0	0
Other	171,191	245,955	245,955	245,955
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	**$700,026**	**$788,055**	**$793,055**	**$793,055**
Total	**$3,645,490**	**$3,935,541**	**$3,655,800**	**$3,655,800**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Auditor

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	3,474,299	3,689,586	3,409,845	3,409,845
Airport Maintenance and Operation Fund (523)	79,500	83,033	83,033	83,033
San José Clean Energy Operating Fund (501)	91,691	130,650	130,650	130,650
Sewer Service and Use Charge Fund (541)	0	32,272	32,272	32,272
Total	**$3,645,490**	**$3,935,541**	**$3,655,800**	**$3,655,800**
**Positions by Core Service ** **				
Audit Services	12.00	12.00	11.00	11.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	**13.00**	**13.00**	**12.00**	**12.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Auditor

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Audit Services					
Performance Audits	3,116,655	3,727,892	2,898,051	2,898,051	11.00
Sub-Total	**3,116,655**	**3,727,892**	**2,898,051**	**2,898,051**	**11.00**
Strategic Support - City Council Appointees					
City Auditor Management and Administration	0	207,649	210,649	210,649	1.00
Sub-Total	**0**	**207,649**	**210,649**	**210,649**	**1.00**
Strategic Support - Other - Council Appointees					
City Auditor Other Departmental - City-Wide	528,835	0	547,100	547,100	0.00
Sub-Total	**528,835**	**0**	**547,100**	**547,100**	**0.00**
Total	**$3,645,490**	**$3,935,541**	**$3,655,800**	**$3,655,800**	**12.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Office of the City Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**13.00**	**3,147,486**	**3,147,486**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Program Performance Audit Staffing (1.0 Program Performance Auditor I/II)	(1.00)	(140,761)	(140,761)
One-time Prior Year Expenditures Subtotal:	**(1.00)**	**(140,761)**	**(140,761)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		(143,980)	(143,980)
Technical Adjustments Subtotal:	**0.00**	**(143,980)**	**(143,980)**
2026-2027 Forecast Base Budget:	**12.00**	**2,862,745**	**2,862,745**
Budget Proposals Recommended			
1. NONE		0	0
Total Budget Proposals Recommended	**0.00**	**0**	**0**
2026-2027 Proposed Budget Total:	**12.00**	**2,862,745**	**2,862,745**

Office of the City Auditor

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Audit Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of audit recommendations implemented (cumulative over 10 years)	80%	80%	88%	80%
PM 2	Ratio estimated monetary benefit to audit cost (cumulative over 3 years)	$6.67 to $1.00[1]	$2.00 to $1.00	$4.83 to $1.00[1]	$2.00 to $1.00
PM 3	% of proposed workplan completed or substantially completed during the fiscal year[2]	82%	80%	86%	80%

[1] Estimated monetary benefits vary each year depending on the audits included in the City Auditor's work plan. In 2024-2025, significant benefits were from the audits of Encumbrances and Animal Care and Services. In 2025-2026, estimated benefits are from the audit of Police Staffing, Expenditures, and Workload.

[2] Substantially completed means field work is completed and report writing has begun.

Office of the City Auditor

Performance Summary

Audit Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of reports issued	14	18	17	18
AWH 2	# of reports per auditor[1]	1.3	1.5	1.8	1.5
AWH 3	Estimated monetary benefits	$33,055,000[2]	$5,561,000	$1,400,000[2]	$6,295,000

[1] Includes recommendation follow-up and outside financial audit services they oversee.

[2] Estimated monetary benefits vary each year depending on the audits included in the City Auditor's work plan. In 2024-2025, significant benefits were from the audits of Encumbrances and Animal Care and Services. In 2025-2026, estimated benefits are from the audit of Police Staffing, Expenditures, and Workload.

Data Sources: Audit Services

Number	Data Source
PM 1	City Auditor internal tracking
PM 2	City Auditor internal tracking
PM 3	City Auditor internal tracking
AWH 1	City Auditor internal tracking
AWH 2	City Auditor internal tracking
AWH 3	City Auditor internal tracking

Office of the City Auditor

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Assistant City Auditor	1.00	1.00	-
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	5.00	4.00	(1.00)
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	**13.00**	**12.00**	**(1.00)**

Office of the City Clerk

Toni J. Taber, City Clerk

MISSION

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

CITY SERVICE AREA

Strategic Support

CORE SERVICES

CITY CLERK SERVICES

Maximize public access to the City's legislative processes by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public, and serve as a compliance officer and administrator for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act.

Strategic Support: City Clerk Management and Administration and Emergency Response and Recovery.

Service Delivery Framework

PROGRAM	DESCRIPTION
City Clerk Services Core Service	
Facilitate the City's Legislative Process	Maximizes public access to the City's legislative process by administering the democratic processes such as elections, access to City records, and all legislative actions ensuring transparency to the public. Serves as a compliance officer and administrator for federal, State, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act.
Strategic Support Core Service	
City Clerk Management and Administration	Provides administrative oversight for the department and City Council Offices, including financial management, human resources, and analytical support.
City Clerk Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Administer Sunshine/Open Government Reforms to provide transparent legislative services.
- Ensure the public has access to information regarding meetings and open deliberations by creating and distributing agenda packets, synopses, and minutes for all City Council meetings and City Council Rules and Open Government Committee meetings. Additionally, provide legislative services to all other Council Committees by writing and distributing minutes about Ordinances, Resolutions, and Charter Amendments.
- Provide live translations in over 50 languages for City Council and Council Committee meetings and study sessions using artificial intelligence technology.
- Deliver fiscal, grant, budget, human resources, payroll, administrative, and technical support services to the Mayor's Office, City Council Offices, and for the City's Boards, Commissions, and Committees.
- Supply access to information regarding government business records including the City's legislative records and documents.
- Administer access to information regarding financial interests of officials and candidates by providing and improving compliance with open government, campaign finance, lobbyist registration, statements of economic interest, and other public disclosure requirements.
- Conduct elections for City Council, Retirement Boards, Civil Service Commission, City Charter amendments, potential issuance of bonds, and ballot measures in accordance with City Charter and the State of California elections code.

2026-2027 Key Budget Actions

- Reduces non-personal/equipment funding of $125,000 to recognize savings for in-person interpretation services.

Operating Funds Managed

N/A

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
City Clerk Services	3,347,390	3,819,529	3,714,745	3,589,745
Strategic Support - City Council Appointees	301,352	211,061	212,884	212,884
Strategic Support - Other - Council Appointees	6,662,941	8,821,173	3,361,000	3,361,000
Total	**$10,311,683**	**$12,851,763**	**$7,288,629**	**$7,163,629**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	3,251,921	3,377,198	3,408,047	3,408,047
Overtime	10,182	0	0	0
Subtotal Personal Services	$3,262,103	$3,377,198	$3,408,047	$3,408,047
Non-Personal/Equipment	371,639	637,392	503,582	378,582
Total Personal Services & Non-Personal/Equipment	**$3,633,742**	**$4,014,590**	**$3,911,629**	**$3,786,629**
Other Costs *				
City-Wide Expenses	6,677,941	8,837,173	3,377,000	3,377,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	**$6,677,941**	**$8,837,173**	**$3,377,000**	**$3,377,000**
Total	**$10,311,683**	**$12,851,763**	**$7,288,629**	**$7,163,629**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Clerk

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	10,311,683	12,851,763	7,288,629	7,163,629
Total	**$10,311,683**	**$12,851,763**	**$7,288,629**	**$7,163,629**
**Positions by Core Service ** **				
City Clerk Services	16.00	16.00	16.00	16.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	**17.00**	**17.00**	**17.00**	**17.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Clerk

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
City Clerk Services					
Facilitate the City's Legislative Process	3,347,390	3,819,529	3,714,745	3,589,745	16.00
Sub-Total	**3,347,390**	**3,819,529**	**3,714,745**	**3,589,745**	**16.00**
Strategic Support - City Council Appointees					
Clerk Management and Administration	301,352	211,061	212,884	212,884	1.00
Sub-Total	**301,352**	**211,061**	**212,884**	**212,884**	**1.00**
Strategic Support - Other - Council Appointees					
Clerk Other Departmental - City-Wide	6,662,941	8,821,173	3,361,000	3,361,000	0.00
Sub-Total	**6,662,941**	**8,821,173**	**3,361,000**	**3,361,000**	**0.00**
Total	**$10,311,683**	**$12,851,763**	**$7,288,629**	**$7,163,629**	**17.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Office of the City Clerk

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**17.00**	**4,014,590**	**4,014,590**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Government Information Library Electronic System (GILES)		(150,200)	(150,200)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(150,200)**	**(150,200)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		30,849	30,849
• Contract Services: Agenda Management System		24,217	24,217
• Contract Services: Municipal Code Website Posting & Publication Services		3,572	3,572
• Software/Information Services: Government Information Library Electronic System (GILES)		1,930	1,930
• Contract Services: Electronic Filing System for Form 700, Campaign Disclosure, and Lobbyist Registration & Reporting Forms		(6,849)	(6,849)
• Contract Services: Automated Speech Translation Services		(6,480)	(6,480)
Technical Adjustments Subtotal:	**0.00**	**47,239**	**47,239**
2026-2027 Forecast Base Budget:	**17.00**	**3,911,629**	**3,911,629**
Budget Proposals Recommended			
1. In-Person Interpretation Services		(125,000)	(125,000)
Total Budget Proposals Recommended	**0.00**	**(125,000)**	**(125,000)**
2026-2027 Proposed Budget Total	**17.00**	**3,786,629**	**3,786,629**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. In-Person Interpretation Services		**(125,000)**	**(125,000)**
Strategic Support – Council Appointees CSA ***City Clerk Services Core Service*** *Facilitate the City's Legislative Process Program* This action reduces non-personal/equipment funding of $125,000 to recognize savings for in-person interpretation services. With the full implementation of artificial intelligence translation for City Council and City Council Committee meetings, translating in more than 50 languages, the funds allocated for in-person interpretation services are no longer needed. (Ongoing savings: $125,000)			
2026-2027 Proposed Budget Changes Total		**(125,000)**	**(125,000)**

Office of the City Clerk

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

City Clerk Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of Public Records Act requests received and fulfilled by the Clerk's Office within 10 days of Request	99%	100%	100%	100%
PM 2	% of Resolutions/Ordinances posted online within 3 business days of receipt from the City Attorney's Office	90%	100%	100%	100%
PM 3	% of Council draft minutes completed and posted online within 3 business days after the Council meeting	93%	100%	99%	100%
PM 4	Estimated cost to document and track legislative actions per Council meeting[1]	$93	$5,741	$119	$119
★★★ *PM 5*	% of customers rating customer service experience with the Clerk's Office as "good" or "excellent"	81%	95%	90%	95%

1 The calculation has been updated to reflect cost per Council meeting. The 2025-2026 Target was previously calculated as an annual cost. Increase from 2024-2025 Actuals is due to a higher staffing costs and a greater number of legislative actions per Council meeting.

Office of the City Clerk

Performance Summary

City Clerk Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of meetings staffed:				
	- City Council Meetings and Study Sessions	51	50	50	50
	- Council Committee Meetings	80	88	65	65
	- Other[1]	25	30	25	25
AWH 2	Legislative Support:				
	- # of Council Actions recorded, processed, and tracked	1,029	1,500	1,200	1,200
	- # of Ordinances and Resolutions processed	564	700	500	500
	- # of Brown Act agendas posted online	650	780	670	670
AWH 3	Council Support:				
	- # of grants processed (Council Office and Arena Community Fund)	342	350	350	350
	- # of Onboarded Council staff (employees and volunteers)	117	130	120	120
AWH 4	Public Records Act Requests:				
	- # of requests processed (includes internal information / documents processed)	247	200	300	300
	- # of documents supplied	1,006	1,000	20,000[2]	1,000
AWH 5	# of elections conducted:				
	- Consolidated	1	1	1	1
	- Standalone	2	1	0	0
	- Retirement Boards	0	1	0	2

1 Includes Civil Service, Council Salary Setting, Council Appointment Advisory, Board of Fair Campaign and Political Practices.

2 Thousands of responsive documents were produced in connection with a single Public Records Act request.

Data Sources: City Clerk Services

Number	Data Source
PM 1	Office of the City Clerk Internal Tracking
PM 2	Office of the City Clerk Internal Tracking
PM 3	Office of the City Clerk Internal Tracking
PM 4	Office of the City Clerk Internal Tracking; Payroll Report
PM 5	SurveyMonkey
AWH 1	Office of the City Clerk Internal Tracking; Legistar
AWH 2	Office of the City Clerk Internal Tracking
AWH 3	Office of the City Clerk Internal Tracking
AWH 4	Office of the City Clerk Internal Tracking
AWH 5	Office of the City Clerk Internal Tracking; CA Secretary of State Website

Office of the City Clerk

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Analyst I/II	4.00	4.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Legislative Secretary	3.00	3.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Records Specialist	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Senior Supervisor of Administration	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Total Positions	**17.00**	**17.00**	**0.00**

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Office of the City Manager

Jennifer A. Maguire, City Manager

MISSION

Provide strategic leadership to the Mayor and City Council to support their public policy decision making and the City organization to ensure the delivery of accessible, equitable, and quality services that meet our diverse community needs

CITY SERVICE AREA

Public Safety

Strategic Support

CORE SERVICES

CITY-WIDE EMERGENCY MANAGEMENT

Lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies.

LEAD AND MANAGE THE ORGANIZATION

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy. Advance organizational mission, determine accountability, set organizational goals, and build organizational capacity. Provide strategic direction and management for city-wide operations and service delivery.

Strategic Support: Management and Administration and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
City-Wide Emergency Management Core Service	
Emergency Management	Oversees emergency management efforts throughout the City, including preparedness, response, recovery, and mitigation; maintains a citywide Emergency Management Roadmap to address preparedness gaps; ensures comprehensive all hazards planning, exercises, and training comply with state and federal requirements; and engages the community through culturally-specific public education and training to encourage preparation for the next emergency.
Lead and Manage the Organization Core Service	
Administration, Policy, and Intergovernmental Relations	Supports city-wide leadership by resolving complex administrative matters and supporting city-wide strategic initiatives, policy analysis, and implementation; leads office hiring; provides fiscal and purchasing services; oversees contract management and execution; tracks state and federal legislation; provides committee and special workgroup staffing and policy support; manages agenda services; and coordinates multi-departmental Public Record Act requests.
Budget	Develops and monitors the City's operating and capital budgets in 152 City funds which, for the 2026-2027 Proposed Budget, totals $5.5 billion with approximately 6,924 budgeted positions; working with City departments, ensures budget meets the highest community and organizational priority needs while maintaining fiscal integrity; responds to and tracks budget-related City Council direction; works with departments to improve operational efficiency; and supports city-wide performance measure tracking and data-driven service delivery.
Communications	Directs and implements the City's communications strategy to inform and engage San José residents in an inclusive, culturally specific manner; provides strategic counsel to the City Manager and Department Directors and monitors media relations; oversees internal communications with employees; supports emergency public information; and provides digital, social, and creative services.
Employee Relations	Represents the City Council and City Manager in various labor relations issues and negotiates on behalf of the City with 12 bargaining units on wages, hours, and other terms and conditions of employment; and manages employee relations matters as well as advises and assists departments regarding strategies and due process requirements when dealing with employee sub-performance or misconduct.
Executive Leadership/City Management	Provides strategic leadership that supports the Mayor and City Council in making public policy decisions and ensures the organization delivers cost-effective services that meet the needs of our community with the highest standards of quality and customer service; and guides fiscal and change management, performance measurement, the building and development of the City's workforce, and development of long term, equity-focused, data-driven strategies to invest in the City's future.
Racial and Social Equity	Provides organizational strategic support, training, tools, and capacity building that advances racial and social equity in decision-making that strongly considers the intersections of race, ethnicity, national origin, immigration status, gender, sexual orientation, disability, religion, and other forms of marginalization for historically underserved communities.

Office of the City Manager

Service Delivery Framework

PROGRAM	DESCRIPTION
Strategic Support Core Service	
City Manager Management and Administration	Provides administrative support for the office, including front desk and other general office functions.
City Manager Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Budget Summary

Expected 2026-2027 Service Delivery

- The City Manager's Office will provide strategic leadership to ensure the effective and efficient delivery of services to the community through 14 different City departments and eight offices within the City with a Proposed Budget totaling $5.5 billion with approximately 6,924 budgeted positions; advise and make recommendations to the City Council on a wide variety of issues; and implement City Council priorities and policies. In addition to delivering the City's Core Services, Programs, and Capital Projects contained in the Adopted Operating and Capital Budgets approved by the City Council, strategic leadership will advance policies and programs aligned with the 2026-2027 Focus Areas which include: 1) Reducing Unsheltered Homelessness; 2) Increasing Community Safety; 3) Cleaning Up Our Neighborhoods; 4) Growing Our Economy; and 5) Building More Housing.
- The City Manager's Office will continue advancing the City Manager's Foundational Strategic Support Focus Areas including: 1) Delivering an Excellent Customer Experience through the multi-year effort of implementing the City Council approved Customer Service Vision and Standards; 2) Closing Racial Inequities through strategic support, capacity building, and training; 3) Structurally Balancing the General Fund Budget; 4) Driving Organizational Performance through increasing the use of performance measures and outcome data, as well as service delivery optimizations and/or realignments; and 5) Making San José a Great Place to Work through the City's recruitment, hiring, and retention efforts.
- The Office of Administration, Policy, and Intergovernmental Relations will resolve complex administrative matters; support city-wide policy analysis and program implementation; protect the best interest of the City through legislative advocacy at the federal, state, and local levels; oversee contract management and execution; manage agenda services; coordinate multi-departmental Public Record Act requests; and ensure the City Council's strategic and transformational initiatives are operationalized.
- The Budget Office will effectively forecast and monitor both revenues and expenditures in 152 City funds totaling $5.5 billion in the Proposed Budget with 6,924 budgeted positions; continue to support the City Service Area and associated departmental Core Services performance measures to facilitate tracking and data-driven service delivery; and bring forward the 2027-2028 Proposed Operating Budget, 2027-2028 Proposed Fees and Charges Report, and 2027-2029 Adopted Capital Budget and 2028-2032 Capital Improvement Program that responsibly allocates City resources in alignment with City Council direction and community priorities, and in consideration of racial and social equity outcomes.
- The Office of Communications will develop and improve effective communication channels; lead city-wide campaigns and keep the community informed about City services, achievements, emergency services and recovery, and other timely issues; provide language access and trainings; and support employee and departmental communication efforts, including website and social media.
- The Office of Employee Relations will engage in labor relations with the City's 12 bargaining units representing approximately 6,532 budgeted positions; manage employee relations matters, including conducting personnel investigations; coordinate the City's disability accommodation program; manage citywide administrative policies; and provide training on a variety of subjects to the organization.
- The Office of Emergency Management will lead efforts to protect life, property, and the environment by developing, coordinating, and managing programs that prevent, prepare for, respond to, recover from, and mitigate natural and man-made disasters and emergencies.
- The Office of Racial and Social Equity will support the City organization by embedding a racial and social equity practice that examines City policies, programs, and investments to ultimately improve outcomes for historically underserved and/or excluded communities through staff trainings, workshops, development of tools and community engagement, as well as advance immigrant affairs issues and a disability accessibility portfolio.

Department Budget Summary

2026-2027 Key Budget Actions

- Adds one-time funding of $3.9 million within the City-Wide Expenses section of this document for the continued implementation of the Customer Experience (CX) Transformation, as part of the multi-year effort of implementing the City Council-approved Customer Service Vision and Standards. This project also includes the addition of 1.0 Deputy Director, 1.0 Assistant to the City Manager, and 1.0 Senior Executive Analyst positions in the City Manager's Office limit-dated through June 30, 2028.
- Adds one-time non-personal/equipment funding of $500,000 to the City Manager's Office of Racial and Social Equity. These funds will support the immigrant community and may include expanding legal services, counseling, and peer support networks, family preparedness plans, and strengthening privacy systems for non-profit partners.
- Adds one-time non-personal/equipment funding of $100,000 to the City Manager's Office of Administration, Policy, and Intergovernmental Relations to support research and analysis for potential ballot measure initiatives, specifically focusing on business tax modernization.
- Shifts ongoing personal services funding of $146,000 for 0.30 Deputy City Manager position in the City Manager's Office from the General Fund to the Multi-Source Housing Fund. This shift more accurately reflects the position's oversight of housing development and homeless response services.
- Reduces the City Manager's Office of Emergency Management's non-personal/equipment funding for Disaster Preparedness and Emergency Response Modeling Software by $310,000. This reduction maintains core evacuation and tabletop simulation functionality, but eliminates more advanced tools and analysis that can be used to support other departments.
- Eliminates 1.0 vacant Director (Chief of Staff) position and adds 1.0 Chief of Staff position to the City Manager position in the City Manager's Office to yield salary savings of $147,814 given this new classification provides better alignment of the position to a more traditional Chief of Staff role.
- Eliminates 1.0 vacant Staff Specialist position in the City Manager's Office and generates $145,022 in savings, redistributing administrative support for the City Manager's Office of Racial and Social Equity and City Manager's Office of Communications to existing staff to maintain operational continuity with minimal service impact.
- Converts 1.0 vacant Staff Specialist to 0.5 part-time Staff Specialist position in the City Manager's Budget Office generating $100,906 in savings. Leveraging process improvements in position control and internal reporting, this part-time Staff Specialist will support payroll transactions, budget publication, and procurement while maintaining existing service levels.
- Eliminates 0.5 vacant Executive Analyst position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations' Agenda Services Team generating $58,322 in savings. Established in the 2024-2025 Adopted Operating Budget to enhance report quality and support Agenda Services, this position's workload has been redistributed among existing staff with no significant impact on service levels.

- **Operating Funds Managed**

  NA

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
City-Wide Emergency Management	4,211,723	3,997,276	3,487,364	3,142,364
Lead & Manage The Organization	21,383,414	23,579,966	22,282,679	26,303,615
Strategic Support - City Council Appointees	995,470	156,487	175,097	175,097
Strategic Support - Other - Council Appointees	5,001,584	4,088,664	343,259	391,617
Total	**$31,592,191**	**$31,822,393**	**$26,288,399**	**$30,012,693**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	23,007,807	22,903,516	23,662,055	23,209,991
Overtime	41,120	35,000	35,000	35,000
Subtotal Personal Services	$23,048,927	$22,938,516	$23,697,055	$23,244,991
Non-Personal/Equipment	2,142,010	3,777,085	2,230,085	2,458,085
Total Personal Services & Non-Personal/Equipment	**$25,190,937**	**$26,715,601**	**$25,927,140**	**$25,703,076**
Other Costs *				
City-Wide Expenses	6,389,085	5,025,331	279,000	4,179,000
Gifts	0	1,797	18,000	18,000
Housing Loans and Grants	0	0	0	0
Other	12,169	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	79,664	64,259	112,617
Total Other Costs	**$6,401,254**	**$5,106,792**	**$361,259**	**$4,309,617**
Total	**$31,592,191**	**$31,822,393**	**$26,288,399**	**$30,012,693**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	30,461,261	31,238,328	25,762,877	29,293,238
Airport Maintenance and Operation Fund (523)	24,500	24,500	95,570	95,570
Gift Trust Fund (139)	164,071	53,000	18,000	18,000
Integrated Waste Management Fund (423)	0	23,607	22,777	22,777
Low and Moderate Income Housing Asset Fund (346)	18,375	18,375	18,375	18,375
Multi-Source Housing Fund (448)	0	0	0	193,933
Real Property Transfer Tax Fund (404)	685,822	0	0	0
San José Clean Energy Operating Fund (501)	205,389	222,578	217,190	217,190
San José Opioid Response Fund (130)	8,273	0	0	0
San José-Santa Clara Treatment Plant Operating Fund (513)	18,375	18,375	18,375	18,375
Sewer Service and Use Charge Fund (541)	6,125	176,941	90,655	90,655
South Bay Water Recycling Operating Fund (570)	0	14,367	13,939	13,939
Storm Sewer Operating Fund (446)	0	16,181	15,471	15,471
Water Utility Fund (515)	0	16,141	15,170	15,170
Total	**$31,592,191**	**$31,822,393**	**$26,288,399**	**$30,012,693**
Positions by Core Service **				
City-Wide Emergency Management	10.00	10.00	10.00	10.00
Lead & Manage The Organization	74.00	71.00	70.00	71.00
Strategic Support - City Council Appointees	2.00	1.00	1.00	1.00
Strategic Support - Other - Council Appointees	3.00	3.00	0.00	0.00
Total	**89.00**	**85.00**	**81.00**	**82.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
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*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the City Manager

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
City-Wide Emergency Management					
Emergency Management	4,211,723	3,997,276	3,487,364	3,142,364	10.00
Sub-Total	**4,211,723**	**3,997,276**	**3,487,364**	**3,142,364**	**10.00**
Lead & Manage The Organization					
Administration, Policy, and Intergovernmental Relations	4,535,581	4,379,379	3,944,386	3,986,064	13.00
Budget Office	5,079,597	5,273,223	5,360,251	5,259,345	18.50
Civic Innovation	0	0	0	0	0.00
Communications	1,732,490	1,960,251	1,865,677	2,014,569	6.45
Employee Relations	2,531,355	2,963,924	2,887,433	2,880,433	10.50
Executive Leadership/City Management	5,180,799	5,539,646	6,024,798	9,463,070	15.55
Racial and Social Equity	2,323,592	3,463,543	2,200,134	2,700,134	7.00
Sub-Total	**21,383,414**	**23,579,966**	**22,282,679**	**26,303,615**	**71.00**
Strategic Support - City Council Appointees					
City Manager Management and Administration	122,443	156,487	175,097	175,097	1.00
City Manager Emergency Response and Recovery	873,027	0	0	0	0.00
Sub-Total	**995,470**	**156,487**	**175,097**	**175,097**	**1.00**
Strategic Support - Other - Council Appointees					
City Manager Gifts	164,071	0	0	0	0.00
City Manager Other Departmental - City-Wide	4,792,329	4,009,000	279,000	279,000	0.00
City Manager Other Operational - Administration	45,184	0	0	0	0.00
City Manager Overhead	0	79,664	64,259	112,617	0.00
Sub-Total	**5,001,584**	**4,088,664**	**343,259**	**391,617**	**0.00**
Total	**$31,592,191**	**$31,822,393**	**$26,288,399**	**$30,012,693**	**82.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**85.00**	**26,715,601**	**26,212,997**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(820,000)	(820,000)
• Office of Emergency Management - Analytical Staffing Funding Shift	0.00	107,000	107,000
• Executive Leadership/City Management - Customer Service Vision and Standards (1.0 Assistant to the City Manager, 1.0 Executive Analyst I/II, 1.0 Senior Executive Analyst)	(3.00)	0	0
• Office of Racial and Social Equity - Immigrant Community Support Services		(1,000,000)	(1,000,000)
• Office of Administration, Policy and Intergovernmental Relations - Performance Measure Management Staffing (1.0 Senior Executive Analyst)	(1.00)	(255,898)	(255,898)
• Office of Emergency Management - Alert and Warning Coordinator		(101,192)	(101,192)
• Office of Emergency Management – Community Emergency Response Team (CERT) – District 7		(7,000)	(7,000)
One-time Prior Year Expenditures Subtotal:	**(4.00)**	**(2,077,090)**	**(2,077,090)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Supervisor, Administration to 1.0 Executive Office Administrator - City Manager's Office	0.00	1,293,629	1,352,970
• Vehicle Operations & Maintenance		(5,000)	(5,000)
Technical Adjustments Subtotal:	**0.00**	**1,288,629**	**1,347,970**
2026-2027 Forecast Base Budget:	**81.00**	**25,927,140**	**25,483,877**

Office of the City Manager

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Budget Proposals Recommended			
1. Office of Racial and Social Equity - Immigrant Community Support Services		500,000	500,000
2. Office of Administration, Policy, and Intergovernmental Relations – Ballot Measure Polling		100,000	100,000
3. Office of the City Manager – Customer Experience (CX) Transformation	3.00	0	0
4. Office of the City Manager – Deputy City Manager Position Funding Shift	0.00	0	(145,575)
5. Office of Emergency Management - Disaster Preparedness and Emergency Response Modeling Software		(310,000)	(310,000)
6. Office of the City Manager - City Manager's Chief of Staff Position Realignment	0.00	(147,814)	(147,814)
7. Office of the City Manager - Administrative Support Staffing	(1.00)	(145,022)	(145,022)
8. Budget Office - Administrative Support Staffing	(0.50)	(100,906)	(100,906)
9. Office of Administration, Policy, and Intergovernmental Relations - Agenda Services Support Staffing	(0.50)	(58,322)	(58,322)
10. Office of Emergency Management - Computer Data Processing		(35,000)	(35,000)
11. Office of Communications - Citywide Campaigns		(20,000)	(20,000)
12. Office of Employee Relations - External Trainings		(7,000)	(7,000)
Total Budget Proposals Recommended	**1.00**	**(224,064)**	**(369,639)**
2026-2027 Proposed Budget Total:	**82.00**	**25,703,076**	**25,114,238**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Office of Racial and Social Equity – Immigrant Community Support Services		**500,000**	**500,000**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Racial and Social Equity Program

As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time non-personal/equipment funding of $500,000 to the City Manager's Office of Racial and Social Equity to support services that protect our immigrant community, and may include expanding legal services, counseling, and peer support networks, family preparedness plans, and strengthening privacy systems for non-profit partners. (Ongoing costs: $0)

2. Office of Administration, Policy, and Intergovernmental Relations – Ballot Measure Polling		**100,000**	**100,000**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Administration, Policy, and Intergovernmental Relations Program

This action adds one-time non-personal/equipment funding of $100,000 to the City Manager's Office of Administration, Policy, and Intergovernmental Relations to support potential ballot measure initiatives, including business tax modernization. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Office of the City Manager – Customer Experience (CX) Transformation	**3.00**	**0**	**0**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Executive Leadership/City Manager Program

This action adds one-time funding of $3.9 million within the City-Wide Expenses section of this document for the continued implementation of the Customer Experience (CX) Transformation, as part of the multi-year effort of implementing the City Council-approved Customer Service Vision and Standards. The goal of the Customer Experience (CX) Transformation is to more reliably deliver services, reduce inefficiencies, and strengthen public trust, starting with the migration of existing SJ 311 services onto the new Customer Relationship Management (CRM) platform to enhance customer communications, develop key performance indicators, and streamline business processes. This action also includes the addition of 1.0 Deputy Director, 1.0 Assistant to the City Manager, and 1.0 Senior Executive Analyst positions within the City Manager's Office and 1.0 Enterprise Supervising Technology Analyst position within the Information Technology Department, limit-dated through June 30, 2028. More detailed information can be found in the City-Wide Expenses section of this 2026-2027 Proposed Operating Budget document. (Ongoing costs: $0)

4. Office of the City Manager – Deputy City Manager Position Funding Shift	**0.00**	**0**	**(145,575)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Executive Leadership/City Manager Program

This action shifts 0.3 Deputy City Manager position in the City Manager's Office from the General Fund to the Multi-Source Housing Fund. Among other duties, on behalf of the City Manager, this position contributes significantly to overseeing the City's housing development, homeless response, and planning, building, and code enforcement services. This shift realigns the funding sources to better reflect the position's responsibilities for the housing portion of this portfolio. (Ongoing savings: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Office of Emergency Management – Disaster Preparedness and Emergency Response Modeling Software		**(310,000)**	**(310,000)**
Public Safety CSA ***City-Wide Emergency Management Core Service*** *Emergency Management Program* This action reduces the City Manager's Office of Emergency Management's non-personal/equipment funding for Disaster Preparedness and Emergency Response Modeling Software by $310,000. As part of the 2025-2026 Adopted Operating Budget, a total of $580,000 was allocated for this software, an AI-driven platform that enhances citywide preparedness through real-time evacuations and tabletop simulations. The Office is retaining functionality around evacuations, such as sampling thousands of real time datapoints related to traffic conditions, roadway management, vehicle size, capacity load, and vehicle and population movement calculations, that can be used to support emergency response and tabletop simulations. The restoration of the additional advanced tools such as flood modeling, damage assessment analysis, and immediate recovery assessment will be evaluated in future budget cycles while considering the City's General Fund position and other critical City Council priorities. (Ongoing savings: $310,000)			
6. Office of the City Manager – City Manager's Chief of Staff Position Realignment	**0.00**	**(147,814)**	**(147,814)**
Strategic Support – Council Appointees CSA ***Lead & Manage The Organization Core Service*** *Communications and Executive Leadership/City Manager Programs* This action eliminates 1.0 vacant Director position (Chief of Staff) and adds 1.0 Chief of Staff to the City Manager position (new classification approved by the City Council on December 16, 2025) in the City Manager's Office. This change will yield salary savings, given that the new classification has a lower pay range and is aligned with Assistant Director positions rather than Director positions. This change aligns the position with a traditional Chief of Staff role, which enables high-level executive support, organizational leadership, and strategic coordination to advance Citywide priorities, policy development, and special projects. (Ongoing savings: $147,814)			

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Office of the City Manager – Administrative Support Staffing	**(1.00)**	**(145,022)**	**(145,022)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Executive Leadership/City Manager Program

This action eliminates 1.0 vacant Staff Specialist position assigned to support the Office of Racial and Social Equity and the Office of Communications in the City Manager's Office. While this role provided core administrative support—including meeting coordination, payment processing, and event planning—these duties will be redistributed among existing staff. This consolidation ensures continued operational support while minimizing service level impacts. (Ongoing savings: $148,103)

8. Budget Office – Administrative Support Staffing	**(0.50)**	**(100,906)**	**(100,906)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Budget Office Program

This action converts 1.0 vacant Staff Specialist to 0.5 part-time Staff Specialist position to align with the current needs of the City Manager's Budget Office. The part-time Staff Specialist position will primarily assist with payroll transactions, update the appropriation ordinance and funding sources resolution, and oversee office supply procurement. Additionally, this role will assist the Executive Office Administrator with the publication of official budget documents. Due to cumulative process improvements in position control, internal reporting efficiencies, and organizational management, the Office can accommodate these requirements through a part-time capacity without a significant reduction in service levels. (Ongoing savings: $100,475)

9. Office of Administration, Policy, and Intergovernmental Relations – Agenda Services Support Staffing	**(0.50)**	**(58,322)**	**(58,322)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Administration, Policy, and Intergovernmental Relations Program

This action eliminates 0.5 vacant part-time Executive Analyst position in the City Manager's Office of Administration, Policy, and Intergovernmental Relations' Agenda Services Team. The position was created in the 2024-2025 Adopted Operating Budget to enhance organizational memoranda standards by ensuring the delivery of timely, high-quality reports to the City Council and the public. Furthermore, the role assisted with streamlining the processing of memoranda and official agendas to improve overall administrative efficiency. This workload has since been redistributed among existing staff without a significant reduction in service levels. (Ongoing savings: $58,322)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
10. Office of Emergency Management – Computer Data Processing		**(35,000)**	**(35,000)**

Public Safety CSA
City-Wide Emergency Management Core Service
Emergency Management Program

This action reduces the City Manager's Office of Emergency Management's non-personal/equipment funding for computer data processing and technology supplies by $35,000. The Emergency Operations Center's iPads are in 'Data Suspend' mode as they are not currently in use and therefore generating cost savings. If iPads need to be activated/deployed during an emergency, a different funding stream will be identified for the costs. Furthermore, staff will optimize the use of existing equipment and the current technology inventory to generate savings, but will ensure that essential emergency programs and administrative support functions remain unaffected. (Ongoing savings: $35,000)

11. Office of Communications – Citywide Campaigns		**(20,000)**	**(20,000)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Communications Program

This action reduces the City Manager's Office of Communications' non-personal/equipment funding by $20,000, specifically targeting funds allocated for external public engagement and citywide campaigns. To minimize the impact of this reduction, the Office will pivot toward leveraging internal assets, such as the City's social media channels and existing digital platforms, to drive campaign awareness without compromising the quality of service. (Ongoing savings: $20,000)

12. Office of Employee Relations – External Trainings		**(7,000)**	**(7,000)**

Strategic Support – Council Appointees CSA
Lead & Manage The Organization Core Service
Employee Relations Program

This action reduces the City Manager's Office of Employee Relations' non-personal/equipment funding by $7,000 for external trainings. The reduction will decrease the number of staff sent to trainings; staff who have not been externally trained will be provided training by internal staff instead with minimal expected impacts. (Ongoing savings: $7,000)

2026-2027 Proposed Budget Changes Total	**1.00**	**($224,064)**	**($369,639)**

Office of the City Manager

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Lead and Manage the Organization

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★	*PM 1*	% of the public having contact with City employees who are satisfied or very satisfied with the:				
		- Timeliness of City employees	74%	65%	N/A[1]	75%
		- Courtesy of City employees	76%	80%	N/A[1]	78%
		- Knowledge of City employees	68%	65%	N/A[1]	70%
	*PM 2*	% of CSA and Core Services performance measures meeting or exceeding their performance targets.	57%	65%	62%	65%
★★★	*PM 3*	% of residents who are "satisfied" or "very satisfied" with the City's quality of services.	64%	58%	N/A[1]	65%
	*PM 4*	Digital Communication Scores:				
		- City Website Accessibility Score (Automated Testing)	83%	88%	85%	87%
		- City Website Reading Level Score	10th Grade	8th Grade	11th Grade	8th Grade
★★★	*PM 5*	% of residents who say they trust the City of San José.	66%	60%	N/A[1]	68%
	*PM 6*	General Purpose Reserves as a % of General Fund operating expenditures (CC Policy 1-18).	5.2%	6.0%	4.9%	5.5%
	*PM 7*	% of City Council Referrals completed or in-progress	N/A[2]	N/A[2]	92%	90%
	*PM 8*	% of Leadership and Supervision Academy participants who rate the Academy's core courses as "good" or "excellent."	N/A[3]	93%	93%	93%
	*PM 9*	% of City employees that understand how racial equity, inclusion, disability access, accessibility, and intersectionality relate to their role (4 or better on a 5-point scale)	86%	85%	86%	86%

[1] Data for this measure is collected in the annual City-Wide Community Survey. The survey is issued late summer, which is after publication of this budget document; therefore, data is not be available at this time. However, 2025-2026 community survey data will be reported in the City Auditor's Annual Report on City Services for 2025-2026 and as 2025-2026 Actuals in the 2027-2028 Proposed Budget.

[2] Data was not previously tracked and/or reported for 2024-2025 or 2025-2026.

[3] Data was not previously tracked and/or reported for 2024-2025.

Performance Summary

Lead and Manage the Organization

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Employee and Labor Relations:				
	- # of investigations conducted by the Office of Employee Relations	104	85	80	85
	- # of formal disciplines processed	37	40	31	35
	- # of Meet and Confer Issues (labor negotiations)	39	35	35	30
AWH 2	Administrative Processes:				
	- # of City Council agenda reports issued	513	515	520	515
	- # of contracts/agreements approved	702	750	725	700
	- # of Public Record Act requests processed by the City Manager's Office	384	400	415	415
AWH 3	$ budgeted towards operating and capital service delivery[1]	$7.2 Billion	$7.4 Billion	$7.2 Billion[1]	$7.0 Billion
AWH 4	Communications Engagement:				
	- # of social media interactions	1.3 Million	1.4 Million	2.2 Million	1.7 Million
	- # website visits	5.4 Million	5.5 Million	5.4 Million	5.5 Million
	- # of e-notifications emails opened (news releases, flash reports, city news, etc.)	576,389	500,000	500,000	500,000
	- # of language access vendor requests made by departments from Citywide OPOs	N/A[2]	400	390	390
AWH5	# of employees who take Citywide trainings	N/A[2]	10,000	N/A[3]	N/A[3]

[1] Reflects the combined gross budget amount and not the budget less interfund transfers, typically displayed in the budget document. In 2025-2026, the net Adopted Budget is $6.3 billion.

[2] New measure - Data was not previously tracked and/or reported in 2024-2025.

[3] Metrics were not available at the time of publication of the 2026-2027 Proposed Operating Budget due to the mid-year launch of SJ Training Portal, the City's new Learning Management System. These metrics will be updated for the 2026-2027 Adopted Operating Budget.

Performance Summary

Lead and Manage the Organization

Data Sources: Lead and Manage the Organization

Number	Data Source
PM 1	Community Opinion Survey Summary Report (August 2025)
PM 2	2026-2027 Proposed Operating Budget
PM 3	Community Opinion Survey Summary Report (August 2025)
PM 4	Communications' SiteImprove Site Analytics Overview
PM 5	Community Opinion Survey Summary Report (August 2025)
PM 6	2026-2027 Proposed Operating Budget
PM 7	Agenda Services Data Tracker; Council Referrals Data Tracker
PM 8	OER Survey Data Tracker, SJ Training Portal
PM 9	ORSE Workplan Data Tracker
AWH 1	OER Data Log
AWH 2	Agenda Services Data Tracker, SimpliGov, GovQA
AWH 3	2025-2026 Appropriation Ordinance, 2026-2027 Proposed Operating Budget - Source and Use of Func
AWH 4	Communications' SiteImprove Site Analytics Overview, Social Medial Metrics
AWH 5	PeopleSoft, Department Spreadsheets, SJ Training Portal

Office of the City Manager

Performance Summary

City-Wide Emergency Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of assigned Emergency Operations Center staff who have completed required Emergency Management trainings:	35%	45%	25%	35%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of courses/trainings, exercises, and presentations coordinated by the City Manager's Office of Emergency Management				
	- Courses/Trainings	17	10	16	14
	- Exercises	5	5	3	5
	- Presentations[1]	17	20	20	25
	- Total	39	35	39	44
AWH 2	# of activations of the Emergency Management Organization				
	- Level 4 (Normal)	4	N/A[2]	2	N/A[2]
	- Level 3 (Monitor Event - potential threat)	5	N/A[2]	2	N/A[2]
	- Level 2 (Partial Activation - major scheduled event, limited evacuations)	0	N/A[2]	2	N/A[2]
	- Level 1 (Full Activation - regional disaster, extensive evacuations)	0	N/A[2]	0	N/A[2]
AWH 3	# of Community Emergency Response Team (CERT) program participants that:				
	- Enroll	651	350	500	400
	- Complete certification	321	300	300	275
	- Request and/or utilize language access services	100	100	50	75

[1] "Presentations" was previously reported as "Public Outreach Events". This change better defines this metric.

[2] The City Manager's Office of Emergency Management records actual activations rather than projecting targets for unpredictable events.

Office of the City Manager

Performance Summary

City-Wide Emergency Management

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 4	Emergency Management Communications and Outreach:				
	- # of website interactions	22,335	N/A[4]	24,493	21,000
	- # of Emergency Operation Center flash report/bulletins issued	6	N/A[5]	0	N/A[5]
	- # of public outreach events outside agencies coordinate in which the City Manager's Office of Emergency Management participates	56	100	24	90
	- # of public outreach event attendees	2,006	2,000	1,000	2,000

[4] Beginning 2025-2026, forecasted # of website interactions will be reported going forward due to changes in internal tracking processes.

[5] The City Manager's Office of Emergency Management and the Office's Public Information Officer can only report the number of Emergency Operation Center flash report/bulletins reports after they happen; the Office does not project a target # for unknown events.

Data Sources: City-Wide Emergency Management

Number	Data Source
PM 1	Master Training & Exercise Tracker Spreadsheet, EOC Roster
AWH 1	Master Training & Exercise Tracker Spreadsheet, PEP Schedule Spreadsheet
AWH 2	OEM Incidents, Activations Tracker
AWH 3	CERT Program Spreadsheets
AWH 4	OEM website data (Siteimprove unique visitor count), PEP Schedule Spreadsheet

Office of the City Manager

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accounting Technician	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Assistant Budget Director	1.00	1.00	-
Assistant Employee Relations Director	1.00	1.00	-
Assistant City Manager	1.00	1.00	-
Assistant to the City Manager	15.00	15.00	-
Budget Director	1.00	1.00	-
Chief of Staff to City Manager	0.00	1.00	1.00
City Manager	1.00	1.00	-
Deputy City Manager	5.00	5.00	-
Deputy Director	5.00	6.00	1.00
Director, City Manager's Office	3.00	2.00	(1.00)
Director of Communication	1.00	1.00	-
Director of Emergency Management	1.00	1.00	-
Employee Relations Director	0.50	0.50	-
Executive Analyst I/II	9.50	8.00	(1.50)
Executive Assistant	2.00	2.00	-
Executive Assistant to the City Manager	1.00	1.00	-
Executive Office Administrator - City Manager's Office	0.00	1.00	1.00
Senior Executive Analyst	23.00	22.00	(1.00)
Senior Office Specialist	1.00	1.00	-
Senior Supervisor, Administration	1.00	0.00	(1.00)
Staff Specialist	6.00	4.00	(2.00)
Staff Specialist PT	0.00	0.50	0.50
Total Positions	**85.00**	**82.00**	**(3.00)**

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City Manager – Office of Economic Development and Cultural Affairs

Jennifer Baker, Director

MISSION

Catalyze equitable job growth, investment, entrepreneurship, cultural vibrancy, and talent attraction and retention in San José. Strengthen the City's fiscal health.

CITY SERVICE AREA

Community and Economic Development

CORE SERVICES

CULTURAL AFFAIRS: ARTS, SPORTS, AND ENTERTAINMENT

Foster a vibrant, inclusive, and creative city by advancing cultural expression, supporting artists and arts organizations through grants and technical assistance, promoting access to sports and entertainment, commissioning and preserving public art, producing/coordinating outdoor special events and destination marketing, and stewarding City-owned convention and cultural facility assets and partnerships.

ECONOMIC GROWTH AND BUSINESS DEVELOPMENT

Accelerate San José's economic vitality by driving business retention, expansion, and attraction; supporting real estate and catalytic development; strengthening Downtown as a thriving urban center; and advancing commercial corridor revitalization and small business success across San José's diverse neighborhoods.

WORKFORCE AND TALENT DEVELOPMENT

Build a resilient and inclusive workforce by connecting job seekers to training, education, and career pathways; delivering supportive services that reduce barriers to employment; and partnering with employers to design hiring initiatives that align with regional industry needs and economic opportunity.

Strategic Support: Management and Administration, Real Estate Asset Management, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Cultural Affairs: Arts, Sports, and Entertainment Core Service	
City-Owned Venue Stewardship	Provide stewardship of city-owned cultural facilities such as the San José Museum of Art and Mexican Heritage Plaza, including the management of operations and maintenance agreements with non-profit partners and the monitoring of those partners; invest in capital rehabilitation of the SAP Center; and coordinate with the Public Works Department on maintenance and capital needs of the cultural facilities.
Convention Center and Destination Marketing	Oversee City-owned cultural and convention facilities — including the San José McEnery Convention Center and historic downtown theaters — through strategic oversight and partnership with the City's third-party operator, Team San Jose. Manage legal agreements and performance to ensure effective venue operations, drive tourism, support destination marketing and sales, and attract conventions, special events, and commerce that elevate San José's regional and national profile.
Cultural Investments and Special Events	Strengthen San José's cultural vibrancy by investing in nonprofit arts organizations, creative entrepreneurs, and community events through grants, technical assistance, and sponsorships. Authorize and manage outdoor special events annually, lead cross-agency coordination, support public engagement, and cultivate partnerships that elevate San José as a dynamic destination for arts, culture, and entertainment.
Public Art / Placemaking	Support the commissioning of art for the public realm and City Hall exhibits, the maintenance of over 450 works in the City's public art collection, and street life activation and civic pride.
Sports and Entertainment Planning and Coordination	Advance San José's identity as a premier destination for sports and entertainment by supporting professional teams, venues, and large-scale events; coordinating cross-agency efforts; and fostering partnerships that enhance economic impact, civic pride, and regional brand visibility. Complement arts and sports experiences with a broad array of entertainment offerings.
Economic Growth and Business Development Core Service	
Business District and Small Business Support	Strengthen targeted neighborhood business districts through the establishment of benefit assessment districts, managing key partnerships, grants, and shared initiatives with organizations and local business coalitions. Support small businesses citywide through targeted assistance, including guidance on permitting, access to resources, efforts to streamline City processes, and management of the Small Business Advisory Committee. Lead policy and program initiatives that enhance commercial corridors—such as anti-displacement efforts, wayfinding, and placemaking—and advance strategies to grow retail amenities and vibrant neighborhood business centers.
Business Retention, Expansion, and Attraction	Engage with existing and prospective San José businesses to drive job creation, revenue growth, and long-term economic resilience. Provide targeted assistance to entrepreneurs and companies by conducting proactive outreach, providing access to technical resources, distributing grants, and facilitating cross-departmental and interagency coordination. Support business success across key industry sectors and commercial areas and corridors, while leveraging data and strategic communications to position San José as a competitive, innovation-driven business environment.

Service Delivery Framework

PROGRAM	DESCRIPTION
Economic Growth and Business Development Core Service (cont'd)	
Downtown	Drive economic vitality in Downtown San José by supporting the retention, expansion, and attraction of both major employers and small businesses. Serve as the City's liaison to the downtown business community, connecting stakeholders to resources and advocating for local priorities. Partner with the San Jose Downtown Association, business and property owners, and stakeholder organizations to enhance Downtown vibrancy, support coordination of events and conferences and advance strategic initiatives that shape a thriving urban core.
Real Estate Development	Advance strategic real estate and development opportunities by partnering with property owners, developers, and other stakeholders to facilitate new investment, leasing activity, public benefit, and site development readiness. Support delivery of large electrical load, or other, utility projects. Support key City initiatives through the acquisition of temporary and permanent property rights and manage the disposition or development of surplus assets. Coordinate closely with the Planning, Building, and Code Enforcement Department to align economic development goals with the City's development policies and streamlined entitlement and permitting processes.
Workforce and Talent Development Core Service	
Employer Hiring Initiatives	Work closely with employers to connect them to qualified job seekers and offer customized occupational skills training based on feedback from employers in driving sectors. Connect employers to educational and training providers and facilitate the development of programs to support the expansion, upskilling and retention of their workforce. Advocate for and identify opportunities for discretionary funding and develop local and regional partnerships to support these opportunities.
Training, Education, and Career Support	Advance economic mobility for San José residents by providing career counseling, training and job development services focused on high-wage, high-growth occupations. Work closely with community-based organizations and educational institutions to increase awareness and connections to workforce services and career opportunities with a focus on underserved populations. Partner with agencies that provide critical wrap around services to job seekers.
Strategic Support Core Service	
Economic Development and Cultural Affairs Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery.
Economic Development Management and Administration	Administers oversight for the department, including executive management, financial management, human resources and analytical support.
Real Estate Asset Management	Provides for the routine oversight and management of City-owned and leased property.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Implement the second year of the 2025-2027 OEDCA Economic Strategy Workplan approved by the City Council to retain/grow jobs and revenue; foster small business reliance and create thriving business districts; accelerate a thriving downtown; activate San José as the South Bay's hub for sports, arts, and entertainment; and prepare residents to successfully participate in the local economy.
- Provide a range of training and employment services to residents by creating opportunities to learn job skills and earn credentials.
- Assist arts organizations, cultural facilities, and outdoor event producers to sustain, innovate, and adapt in a changing fiscal environment.
- Manage the City's real estate assets with a focus on revenue generation, addressing City needs, realizing community objectives, and providing timely transaction services in support of all City departments.

2026-2027 Key Budget Actions

- As directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, provides one-time funding for the following:
  - Continues 1.0 Executive Analyst and 2.0 Senior Executive Analyst positions, through June 30, 2027, for business outreach and development;
  - Provides funding of $350,000 to support major events staffing and programming; and
  - Provides funding of $50,000 for consultant services to create a focused strategy for East Side investment.
- As directed by City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, provides one-time funding in the General Fund within the City-Wide Expenses section for the following:
  - Adds funding of $250,000 for stitching districts;
  - Adds funding of $250,000 to the Sports Authority allocation for costs associated with hosting major sporting events in San José during 2026-2027;
  - Adds funding of $100,000 for an Enhanced Infrastructure Financing District Assessment; and
  - Adds funding of $50,000 to the Storefront Activation Grant Program to partially address unmet demand.
- Eliminates 1.0 Staff Specialist position and decreases San José Works – Youth Jobs Initiative funding by $200,286.
- Eliminates 1.0 Staff Specialist position within the Administrative Services Team.

Operating Funds Managed

- Business Improvement District Fund
- Convention & Cultural Affairs Fund
- San José Arena Capital Reserve Fund
- Transient Occupancy Tax Fund
- Workforce Development Fund

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Arts and Cultural Development	27,443,376	0	0	0
Business Development and Economic Strategy	15,195,217	0	0	0
Cultural Affairs: Arts, Sports, and Entertainment	1,140,502	41,717,899	34,331,948	34,931,948
Economic Growth and Business Development	148,653	11,366,968	10,379,503	11,015,349
Real Estate Services	2,754,872	0	0	0
Regional Workforce Development	9,914,767	0	0	0
Strategic Support - Community & Economic Development	2,259,408	5,329,272	5,085,363	4,939,429
Strategic Support - Other - Community & Economic Development	2,951,746	5,289,665	603,975	953,975
Workforce and Talent Development	0	9,035,233	8,479,537	8,279,251
Total	**$61,808,541**	**$72,739,037**	**$58,880,326**	**$60,119,952**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	12,193,220	13,385,321	12,660,156	13,300,068
Overtime	2,998	0	0	0
Subtotal Personal Services	$12,196,218	$13,385,321	$12,660,156	$13,300,068
Non-Personal/Equipment	1,031,263	1,833,440	696,940	846,940
Total Personal Services & Non-Personal/Equipment	**$13,227,481**	**$15,218,761**	**$13,357,096**	**$14,147,008**
Other Costs *				
City-Wide Expenses	14,387,406	17,009,924	9,822,215	10,271,929
General Fund Capital	2,725	0	0	0
Gifts	3,066	44,000	29,000	29,000
Housing Loans and Grants	0	0	0	0
Other	33,824,695	40,153,787	35,390,740	35,390,740
Other - Capital	0	0	0	0
Overhead Costs	363,168	312,565	281,275	281,275
Total Other Costs	**$48,581,060**	**$57,520,276**	**$45,523,230**	**$45,972,944**
Total	**$61,808,541**	**$72,739,037**	**$58,880,326**	**$60,119,952**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	20,956,764	25,415,862	16,350,184	17,588,919
Building Development Fee Program Fund (237)	69,185	70,112	71,354	71,354
Business Improvement District Fund (351)	3,622,913	4,090,575	5,424,902	5,424,902
Convention and Cultural Affairs Fund (536)	11,339,838	12,583,000	11,871,000	11,871,000
Fire Development Fee Program Fund (240)	(57)	0	0	0
Gift Trust Fund (139)	10,473	44,000	29,000	29,000
Low and Moderate Income Housing Asset Fund (346)	124,763	133,955	138,309	138,309
Public Works Development Fee Program Fund (241)	58,328	96,244	97,883	97,883
San José Arena Capital Reserve Fund (459)	3,920,531	5,885,000	900,000	900,000
Transient Occupancy Tax Fund (461)	12,546,608	15,961,385	16,160,494	16,161,385
Workforce Development Fund (290)	8,228,195	7,801,189	7,250,808	7,250,808
Capital Funds	931,000	657,715	586,392	586,392
Total	**$61,808,541**	**$72,739,037**	**$58,880,326**	**$60,119,952**
Positions by Core Service **				
Arts and Cultural Development	8.00	0.00	0.00	0.00
Business Development and Economic Strategy	14.00	0.00	0.00	0.00
Cultural Affairs: Arts, Sports, and Entertainment	4.00	13.00	13.00	13.00
Economic Growth and Business Development	0.00	17.75	13.90	16.90
Real Estate Services	4.00	0.00	0.00	0.00
Regional Workforce Development	19.75	0.00	0.00	0.00
Strategic Support - Community & Economic Development	7.25	10.50	10.50	9.50
Workforce and Talent Development	0.00	19.75	19.60	18.60
Total	**57.00**	**61.00**	**57.00**	**58.00**

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City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Arts and Cultural Development					
Arts and Cultural Development Administration	1,332,880	0	0	0	0.00
Cultural Facilities Operations and Maintenance	16,787,198	0	0	0	0.00
Cultural Grants	8,247,757	0	0	0	0.00
Outdoor Events	1,075,541	0	0	0	0.00
Sub-Total	**27,443,376**	**0**	**0**	**0**	**0.00**
Business Development and Economic Strategy					
Business District Management	978,415	0	0	0	0.00
Business Outreach and Assistance	6,807,596	0	0	0	0.00
Development Attraction and Facilitation	66,323	0	0	0	0.00
Downtown Management	6,873,737	0	0	0	0.00
Economic Policy Analysis/Communications	469,146	0	0	0	0.00
Sub-Total	**15,195,217**	**0**	**0**	**0**	**0.00**
Cultural Affairs: Arts, Sports, and Entertainment					
City-Owned Venue Stewardship	0	11,294,450	6,427,688	6,427,688	0.75
Convention Center and Destination Marketing	0	18,372,000	17,660,000	17,660,000	0.00
Cultural Investments and Special Events	136	8,838,476	8,833,431	8,833,431	8.25
Public Art/Placemaking	1,140,366	1,143,760	940,616	940,616	4.00
Sports and Entertainment Planning and Coordination	0	2,069,213	470,213	1,070,213	0.00
Sub-Total	**1,140,502**	**41,717,899**	**34,331,948**	**34,931,948**	**13.00**
Economic Growth and Business Development					
Business District and Small Business Support	148,535	7,911,225	7,573,386	8,019,067	7.98

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

** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Business Retention, Expansion, and Attraction	0	1,860,752	1,481,401	1,671,566	5.31
Downtown	118	1,355,092	1,078,846	1,078,846	2.86
Real Estate Development	0	239,899	245,870	245,870	0.75
Sub-Total	**148,653**	**11,366,968**	**10,379,503**	**11,015,349**	**16.90**
Real Estate Services					
City Lease Administration	1,998,711	0	0	0	0.00
City Property Acquisition and Sales	756,161	0	0	0	0.00
Sub-Total	**2,754,872**	**0**	**0**	**0**	**0.00**
Regional Workforce Development					
Workforce Development Services	9,625,205	0	0	0	0.00
Workforce Innovation and Opportunity Act Board Support and Administration	289,562	0	0	0	0.00
Sub-Total	**9,914,767**	**0**	**0**	**0**	**0.00**
Strategic Support - Community & Economic Development					
Economic Development Emergency Response and Recovery	1,195,626	0	0	0	0.00
Economic Development Management and Administration	1,063,782	2,056,760	1,979,851	1,833,917	6.10
Real Estate Asset Management	0	3,272,512	3,105,512	3,105,512	3.40
Sub-Total	**2,259,408**	**5,329,272**	**5,085,363**	**4,939,429**	**9.50**
Strategic Support - Other - Community & Economic Development					
Economic Development Capital	172,801	0	0	0	0.00
Economic Development Gifts	3,050	44,000	29,000	29,000	0.00
Economic Development Other Departmental - City-Wide	2,109,212	4,883,100	293,700	643,700	0.00
Economic Development Other Departmental - Grants	475,000	50,000	0	0	0.00

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

** 2024-2025 Actuals may not subtotal due to rounding.

City Manager – Office of Economic Development and Cultural Affairs

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Economic Development Other Operational - Administration	174,196	0	0	0	0.00
Economic Development Overhead	17,487	312,565	281,275	281,275	0.00
Sub-Total	**2,951,746**	**5,289,665**	**603,975**	**953,975**	**0.00**
Workforce and Talent Development					
Employer Hiring Initiatives	0	1,070,758	1,072,572	1,072,572	5.43
Training, Education, and Career Support	0	7,964,475	7,406,965	7,206,679	13.17
Sub-Total	**0**	**9,035,233**	**8,479,537**	**8,279,251**	**18.60**
Total	**$61,808,541**	**$72,739,037**	**$58,880,326**	**$60,119,952**	**58.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

City Manager - Office of Economic Development and Cultural Affairs

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**61.00**	**15,218,761**	**8,405,938**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(286,914)	(286,914)
• Business Outreach and Development Staffing (1.0 Executive Analyst, 2.0 Senior Executive Analyst)	(3.00)	(525,084)	(525,084)
• Sports and Entertainment District Preliminary Development		(250,000)	(250,000)
• Business Districts Streets Team Services		(100,000)	(100,000)
• Alebrijes		(75,000)	(75,000)
• Prosperity Labs		(75,000)	(75,000)
• Christmas in the Park		(72,000)	(72,000)
• Neighborhood Economic Grants		(63,086)	(63,086)
• Village Oaks / Santa Teresa Neighborhood Vitality District		(50,000)	(50,000)
• Urban Vibrancy Institute		(35,000)	(35,000)
• Supporting Neighborhood Small Business Development Centers in East San José		(27,000)	(27,000)
• Silicon Valley Pride		(25,000)	(25,000)
• Winchester Row Business Association Empowerment Grant		(25,000)	(25,000)
• San José Day		(20,000)	(20,000)
• Plaza de Cesar Chavez Stage Canopy		(17,500)	(17,500)
• School of Arts and Culture at the Mexican Heritage Plaza		(15,000)	(15,000)
One-time Prior Year Expenditures Subtotal:	**(3.00)**	**(1,661,584)**	**(1,661,584)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		(14,254)	(33,655)
• 2024-2025 Annual Report (City Council Approval 10/21/2025): Deletes 1.0 Senior Executive Analyst	(1.00)	(185,832)	(185,832)
• Fund Shift: work2future Staffing	0.00	5	(8,205)
• Fund Shift: Real Estate Staffing	0.00	0	11,307
Technical Adjustments Subtotal:	**(1.00)**	**(200,081)**	**(216,385)**
2026-2027 Forecast Base Budget:	**57.00**	**13,357,096**	**6,527,969**
Budget Proposals Recommended			
1. Business Outreach and Development Staffing (Continuation)	3.00	535,846	535,846
2. Major Events Staffing and Programming		350,000	350,000
3. East Side Revitalization Plan		50,000	50,000
4. San José Works - Youth Jobs Initiative	(1.00)	0	0
5. Administrative Staffing	(1.00)	(145,934)	(146,825)
Total Budget Proposals Recommended	**1.00**	**789,912**	**789,021**
2026-2027 Proposed Budget Total	**58.00**	**14,147,008**	**7,316,990**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Business Outreach and Development Staffing (Continuation)	**3.00**	**535,846**	**535,846**

Community and Economic Development CSA
Economic Growth and Business Development Core Service
Business District and Small Business Support and Business Retention, Expansion, and Attraction Programs

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action continues 1.0 Executive Analyst position and 2.0 Senior Executive Analyst positions, through June 30, 2027, for business outreach and development. One Senior Executive Analyst position will continue corporate outreach and retention support. This position will serve as the core delivery role for corporate retention, expansion, and attraction efforts. Responsibilities include acting as the lead for outreach to medium- and large-sized business, managing relationships with employers in North San José, and providing concierge style service to prospective and existing companies, facilitating permitting and development processes, and providing rapid responses to business inquiries. The second Senior Executive Analyst and the Executive Analyst are part of the Small Business Team, with the Senior Executive Analyst as the lead. Responsibilities of both positions include sustaining and expanding business association formation, supporting the development of the Monterey Road Business Improvement District, and leading City engagement with the Berryessa Flea Market Group. This Senior Executive Analyst will continue as the City's East Side Manager. Additionally, the Executive Analyst will serve as the primary contact for Spanish-speaking businesses, manage and administer neighborhood business grants, and support several business associations. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
2. Major Events Staffing and Programming		**350,000**	**350,000**

Community and Economic Development CSA
Cultural Affairs: Arts, Sports, and Entertainment Core Service
Sports and Entertainment Planning and Coordination Program

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time personal services funding of $250,000 and one-time non-personal equipment funding of $100,000 to support Major Events staffing and programming. San José will celebrate several significant anniversaries over the next two years that provide an opportunity to showcase the city's history, culture, and global partnerships. In addition to this year's national Semiquincentennial, San José will commemorate in 2027 both the 250th anniversary of its founding as Pueblo San José de Guadalupe and the 70th anniversary of the San José-Okayama Sister City Relationship. The position will serve as the major events lead within the Office of Economic Development and Cultural Affairs and will be responsible for coordinating and planning activities related to the Semiquincentennial and the hosting of the Japanese delegation in 2028. Additionally, the City Manager is directed to return in Fall 2026 with an initial approach for coordinating these two major events and to provide semi-annual updates to the Community and Economic Development Committee thereafter. Planning and coordination efforts for the Semiquincentennial will include establishing an advisory committee composed of the Mayor's Office and key stakeholders, with staffing support provided by the Administration. The advisory committee will meet regularly to guide planning, stakeholder engagement, and fundraising efforts. The one-time non-personal/equipment funding will provide for a large civic celebration in San José in recognition of the national 250th anniversary on July 4, 2026. (Ongoing costs: $0)

3. East Side Revitalization Plan		**50,000**	**50,000**

Community and Economic Development CSA
Economic Growth and Business Development Core Service
Business District and Small Business Support Program

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time non-personal/equipment funding of $50,000 for consultant services to create a focused strategy for Eastside investment. Earlier this year, the School of Arts and Culture broke ground at La Placita following a successful $30 million capital campaign, including $4.2 million from the City, $6.0 million from the Knight Foundation, and millions from other partners. To build on that success, the development of an Eastside Revitalization Plan will drive capital investment in East San José that, if successful, will create funding at scale to strengthen communities in this historically underinvested area of the City. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. San José Works – Youth Jobs Initiative	**(1.00)**	**0**	**0**

Community and Economic Development CSA
Workforce and Talent Development Core Service
Training, Education, and Career Support Program

This action eliminates 1.0 vacant Staff Specialist position, with responsibilities to be reassigned among existing staff that support the San José Works – Youth Jobs Initiative. This action, along with lower funding levels to support subsidized wages, results in ongoing savings of $200,286 and a reduction in the number of youth receiving subsidized wages from 325 to 295 annually, as described in the City-Wide Expenses section of this document. The San José Works – Youth Jobs Initiative provides at-risk youth with employment services and life skills instruction, including leadership development, financial literacy, job counseling, job readiness training, and other supportive services such as transportation and clothing. The program's unsubsidized component, which places 475 young adults in employment opportunities with private employers, will continue unchanged. (Ongoing savings: $0)

5. Administrative Staffing	**(1.00)**	**(145,934)**	**(146,825)**

Community and Economic Development CSA
Strategic Support – Community & Economic Development Core Service
Economic Development Management and Administration Program

This action eliminates 1.0 filled Staff Specialist position and shifts 10% funding of another Staff Specialist position within the Administrative Services Team from the General Fund to the Transient Occupancy Tax Fund. The eliminated position provides fiscal and procurement services to support the Business Development and Real Estate teams, including paying invoices, processing rent billings, cash/rent collections, contract/grant/lease encumbrances, and purchase order creation. This position also currently serves as the Office's public records act (PRA) coordinator. These duties will be absorbed among existing staff, which could cause delays in fiscal and procurement services and responding to PRA requests. (Ongoing savings: $149,259)

2026-2027 Proposed Budget Changes Total	**1.00**	**789,912**	**789,021**

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Cultural Affairs: Arts , Sports, and Entertainment

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
 *PM 1*	% of public art works that are in the City's permanent collection that are in "good" to "excellent" condition based on their physical and operational condition	80%	80%	80%	80%
★★★ *PM 2*	% of responding funded cultural organizations rating the arts grants program "good" to "excellent" based on responsiveness and timelines	95%	90%	90%	95%
 *PM 3*	% of annual increase in average nighttime pedestrian activity in Downtown	15%	10%	17%	10%
★★★ *PM 4*	% of event organizers who rate the overall experiences with the City services and support provided for their event as good or excellent	N/A[1]	85%	100%[2]	90%
 *PM 5*	% of major sporting events generating over $100M of economic impact occurring in San José	N/A[1]	N/A[1]	N/A[3]	N/A[3]

1 New performance measure starting in 2025-2026.

2 Based on 12 survey responses collected to date (out of approximately 130 permitted events), 100% of respondents rated their overall experience as Good or Excellent, exceeding the 85% target. This reflects a response rate of approximately 9%, and results should be interpreted with consideration of the limited sample size. As part of implementing this new performance measure, the survey distribution method has been standardized to a monthly cadence (rather than post-event) to establish consistency and improve response rates over time.

3 The Administration is working with external partners to develop new and consistent methodology to estimate economic impact for major sports events including Super Bowl LX, NCAA Men's Basketball West Regional Games, and FIFA World Cup in 2026 and beyond.

Performance Summary

Cultural Affairs: Arts, Sports, and Entertainment

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Arts and cultural grants:				
	- # of awarded grants	112	117	117	115
	- Grant funding for special events ($)	691K	$700K	$716K	$730K
	- Total Office of Cultural Affairs grant awards ($)	$4.3M	$4.2M	$4.7M	$4.7M
AWH 2	# of public art works in the City's permanent collection	473	480	480	485
AWH 3	Outdoor special events coordinated by Office of Cultural Affairs:				
	- # of events	188[1]	160	178	180
	- # of event days	553	485	542	550
	- # of reported attendees	2.8M	2.0M	1.9M	2.0M
AWH 4	Economic Impact of Convention Center, San José Civic, Center for the Performing Arts, California Theater, and Montgomery Theater (attendance by type):				
	- # of Local/Social visitors	731,690	815,232	831,436	835,000
	- # of Out-of-Town visitors	50,233	47,945	41,310	52,000
	- # of Exhibitors	4,905	4,100	4,399	4,900
AWH 5	# of produced or facilitated cultural outdoor events specific to major sports events	N/A[2]	92	35[3]	5

1 The 2024-2025 Actual is higher due to an increase in series events such as night markets, block parties, and concert series. Additionally, the SJ PLACES program (formally Downtown Vibrancy Event Pilot) was implemented, which has resulted in additional small-scale events with smaller attendance.

2 New activity and workload highlight starting in 2025-2026.

3 Includes 35 events to date (approximately 38% of target); remaining events scheduled for upcoming FIFA activations (Watch Parties, CityDance). Also after SJ26 there are no major sports events scheduled.

Data Sources: Cultural Affairs: Arts, Sports, and Entertainment

Number	Data Source
PM 1	Office of Cultural Affairs condition assessment of public art
PM 2	2024-2025 Grants Survey sent to all grantees via Survey Monkey
PM 3	Placer. AI data
PM 4	Office of Cultural Affairs survey
PM 5	New measure. Data Source is being evaluated.
AWH 1	Office of Cultural Affairs Grants Tracking Database, which includes Mayor's Budget Message directed grants and other one-time grants managed by OEDCA.
AWH 2	Office of Cultural Affairs Public Art Database
AWH 3	Office of Cultural Affairs Events Database
AWH 4	Team San Jose
AWH 5	Office of Cultural Affairs Events Database

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Economic Growth and Business Development

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of 5,000 job target achieved through retention, expansion, and attraction efforts	N/A[1]	100%[2]	128%	110%
PM 2	% of $5 million tax revenue target	N/A[1]	100%[3]	144%	110%
PM 3	% establishment of one new business assessment districts	N/A[1]	100%[4]	400%	100%
PM 4	% of Business Development grants distributed to woman or minority-owned businesses	88%	85%	85%	85%
PM 5	% increase in Downtown daytime pedestrian traffic year-over-year	8%	10%	9%	10%

1 New performance measure starting in 2025-2026.

2 5,000 jobs target will get halfway to the Council-approved 10,000 jobs retained or attracted in OEDCA's Economic Strategy Work Plan goal for the next two years.

3 $5 million tax revenue target will get halfway to the Council-approved $10 million OEDCA's Economic Strategy Work Plan goal for the next two years.

4 City Council-approved OEDCA's Economic Strategy Work Plan calls for the formation of two new assessment districts over the next two years.

City Manager - Office of Economic Development and Cultural Affairs

Performance Summary

Economic Growth and Business Development

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Ratio of Business Development outreach expenditures to generated tax revenues	1:4	1:3	1:7	1:4
AWH 2	# of companies receiving Office of Economic Development permitting assistance	890	700	800[1]	900
AWH 3	# of small businesses receiving business support related assistance	N/A	12,500	12,500	10,000[2]
AWH 4	# of meetings held with businesses receiving Business Development support[3]	1,613	600	1,000	1,100
AWH 5	# of commercial lease commitments facilitated in Downtown	N/A[4]	10[5]	5	5

1 OEDCA is expected to ramp up permit assistance in 2025-2026; some of this is corporate outreach continuing to ramp up, as well as for other small business team members to make this more of a focus.

2 The 2026-2027 Forecast decreased from 2025-2026 due to reduction in funding and services by federal government for Business Owner Space partners providing business technical assistance. Additionally, contracts ended with Prosperity Lab, Latino Business Foundation, and Enterprise Foundation because American Rescue Plan Act funds ended, and their work significantly contributes to these numbers.

3 2024-2025 Actuals include SBA program which was shifted to AWH3 for the 2025-2026 Forecast. The increase in the 2025-2026 Estimate is primarily driven by increased outreach levels by corporate development/outreach staff this year. The 2026-2027 Forecast projects a 10% growth in activity.

4 New activity and workload highlight starting in 2025-2026.

5 OEDCA's Economic Strategy Work Plan includes a goal of 10 total commercial lease commitments over 2025-2026 and 2026-2027.

Data Sources: Economic Growth and Business Development

Number	Data Source
PM 1, 2, 3	Business Development outreach tracker
PM 4	Grants tracking database
PM 5	Placer. AI data
AWH 1	Business Development team tracking
AWH 2	Business Development team tracking
AWH 3	Annual Business Owner Space survey of service providers
AWH 4	Business Development team tracking
AWH 5	Downtown Management team tracking

Performance Summary

Workforce and Talent Development

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	Estimated % of clients employed 12 months after initial placement				
	- Adults	63%	66%	66%	66%
	- Dislocated Workers	67%	70%	70%	70%
PM 2	% of San José Works interns who complete their internships	N/A[1]	90%	90%	90%
PM 3	% of clients served who are low income or have a significant barrier to employment	N/A[1]	85%	85%	85%
PM 4	% of unsubsidized job placements achieved for San José Works youth relative to goal	N/A[1]	100%[2]	100%	100%
PM 5	% of youth job placements from priority neighborhoods or PRNS/Youth Empowerment Alliance referrals	N/A[1]	85%	85%	85%

[1] New performance measure starting in 2025-2026.

[2] The goal for the unsubsidized program is 475 placements.

Performance Summary

Workforce and Talent Development

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of WIOA-work2future clients receiving discrete services (counseling, job placement, and occupational training)	1,259	1,400	1,400	1,000
	- Adults	831	1,000	1,000	600[1]
	- Dislocated Workers	175	200	200	250[1]
	- Youth	253	200	200	150[1]
AWH 2	# of business that participate in recruitment activities, offer internships, nontraditional apprenticeships, or on-the-job training	302	300	300	300
AWH 3	# of San José Works (work2future clients)	806	800	800	770

[1] 2026-2027 Forecast assumes no more than 5% reduction in the Workforce Innovation and Opportunity Act allocation, which is determined by the State.

Data Sources: Workforce and Talent Development

Number	Data Source
PM 1	CalJOBS
PM 2	CalJOBS
PM 3	WIOA Barriers Report
PM 4, 5	San José Works Enrollment and Case Management Report
AWH 1	CalJOBS
AWH 2	CalJOBS
AWH 3	San José Works Enrollment and Case Management Report

City Manager - Office of Economic Development and Cultural Affairs

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	9.00	9.00	-
Arts Programs Coordinator	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant to the City Manager	5.00	5.00	-
Deputy Director	2.00	2.00	-
Director of Economic Development	1.00	1.00	-
Division Manager	1.00	1.00	-
Economic Development Manager	1.00	1.00	-
Events Coordinator I/II	1.00	1.00	-
Executive Analyst I/II	5.00	5.00	-
Executive Assistant	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	1.00	1.00	-
Senior Arts Program Coordinator	4.00	4.00	-
Senior Events Coordinator	2.00	2.00	-
Senior Executive Analyst	17.00	16.00	(1.00)
Staff Specialist	4.00	2.00	(2.00)
Total Positions	**61.00**	**58.00**	**(3.00)**

Energy Department

Lori Mitchell, Director

MISSION

To procure clean, cost-effective energy for the benefit of its customers

CITY SERVICE AREA

Environmental and Utility Services

CORE SERVICES

ENERGY COMMUNITY PROGRAMMING

Establish San José-specific renewable energy and local renewable energy efficiency programs, and coordinate City efforts to reduce greenhouse gas emissions.

ENERGY CUSTOMER SUPPORT

Provide exceptional customer experience by educating and communicating effectively with customers, the public, and the media.

PROVIDING CLEAN ENERGY TO THE COMMUNITY

Promote enhanced sustainable energy practices by providing the community with cleaner energy options, resources, and education.

Strategic Support: Administration, Financial Management, Information Technology, Human Resources, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Energy Community Programming Core Service	
Climate Smart	Manages City efforts to reduce community-wide greenhouse gas (GHG) emissions and accelerate movement toward achieving the carbon neutrality by 2030 goal.
Local Energy Programs	Provides San José-specific energy programs to reduce carbon and provide additional benefits to the community.
Energy Customer Support Core Service	
Data and Call Center Management	Manages energy data and billing accuracy and provides resolution to Call Center customer escalations.
Marketing and Public Affairs	Provides direct communication to customers, the public, and media.
Providing Clean Energy to the Community Core Service	
Conventional Energy Supply	Procures conventional energy, such as natural gas.
Electrical Grid Administration and Scheduling	Manages grid and California Independent System Operator (ISO) charges, and schedules daily SJCE electrical load with ISO.
Energy Risk Management	Manages and mitigates potential power supply risk to which the Department and City are exposed.
Regulatory Compliance	Manages local, State, and federal regulatory compliance and advocacy to ensure compliance with all regulations and to advance City objectives.
Renewable and Greenhouse Gas-Free Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, and biomass.
Resource Adequacy Supply	Procures resource adequacy to fulfill regulatory requirements.
Strategic Support Core Service	
Energy Management and Administration	Provides executive-level, analytical, and administrative support to the Department.
Energy Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Energy Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Energy Information Technology	Provides information technology services, security, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Energy Legal Support	Manages all legal support functions for the Department in coordination with the City Attorney's Office.
Energy Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Provide cost-effective electric generation rates by procuring cleaner electric supplies. Offer customers at least one power mix option at ten percent or more renewables than PG&E and at least one power mix option that is 100 percent renewable.
- Manage anticipated electric load growth by developing strategic rate strategies and clean energy options to serve large-load customers such as data centers, advanced manufacturing, and electric vehicle charging providers.
- Execute prudent financial management practices, including the implementation of effective cost controls and engagement in the regulatory and legislative process. Ensure the long-term financial stability of the San José Clean Energy program by adhering to the financial reserves policy goal of maintaining at least 180 days of operating expenses.
- Develop San José-specific energy programs for residential and commercial customers that reduce carbon emissions, deliver customer savings, and drive equitable adoption of clean energy technologies.
- Lead Climate Smart San José and facilitate City strategies to accelerate movement toward the achievement of greenhouse gas emissions reduction goals.

2026-2027 Key Budget Actions

- Adds 1.0 Principal Power Resources Specialist and ongoing non-personal/equipment funding. The position will lead strategy, market development and engagement, product development, and the structuring of rate tariffs to serve large-load customers such as data centers, advanced manufacturing, and electric vehicle charging providers that are in the development pipeline.
- Adds one-time funding of $175,000 for a third-party review of the Department's power procurement practices and strategies related to its Energy Hedging Program. This will enable review of the City's risk management and portfolio modeling, provide validation of the City's existing methodologies of its Energy Hedging Program, help ensure alignment with industry best practices, and recommend areas for further refinement.
- Adds 2.0 Power Resources Specialist I/II and ongoing non-personal/equipment funding to help support two critical efforts: the administration of the City's growing number of power purchase agreements, and the growth and operation management of San José Clean Energy's demand side management resource portfolio.

Operating Funds Managed

- San José Clean Energy Operating Fund

Energy Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Energy Community Programming	5,837,321	22,600,744	4,347,551	4,506,248
Energy Customer Support	8,143,851	8,287,280	9,149,459	9,149,459
Providing Clean Energy to the Community	433,750,684	430,340,046	343,641,093	344,195,628
Strategic Support - Environmental & Utility Services	7,655,193	7,671,633	7,277,892	7,357,241
Strategic Support - Other - Environmental & Utility Services	4,416,001	4,531,448	3,914,321	4,002,391
Total	**$459,803,050**	**$473,431,151**	**$368,330,316**	**$369,210,967**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	12,430,529	15,528,557	16,102,190	16,697,271
Overtime	1,494	0	0	0
Subtotal Personal Services	$12,432,023	$15,528,557	$16,102,190	$16,697,271
Non-Personal/Equipment	12,456,314	25,095,892	10,293,805	10,491,305
Total Personal Services & Non-Personal/Equipment	**$24,888,336**	**$40,624,449**	**$26,395,995**	**$27,188,576**
Other Costs *				
City-Wide Expenses	467,938	833,000	0	0
Debt Service/Financing	2,037,909	2,147,000	1,601,000	1,601,000
Housing Loans and Grants	0	0	0	0
Other	430,030,775	427,442,254	338,020,000	338,020,000
Other - Capital	0	0	0	0
Overhead Costs	2,378,092	2,384,448	2,313,321	2,401,391
Total Other Costs	**$434,914,714**	**$432,806,702**	**$341,934,321**	**$342,022,391**
Total	**$459,803,050**	**$473,431,151**	**$368,330,316**	**$369,210,967**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Energy Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	467,938	2,136,395	1,366,998	1,366,998
Integrated Waste Management Fund (423)	0	0	0	0
San José Clean Energy Operating Fund (501)	459,335,112	471,294,756	366,963,318	367,843,969
Total	**$459,803,050**	**$473,431,151**	**$368,330,316**	**$369,210,967**
**Positions by Core Service ** **				
Energy Community Programming	7.00	16.00	15.25	16.25
Energy Customer Support	10.00	9.00	10.75	10.75
Providing Clean Energy to the Community	20.00	20.50	20.00	21.50
Strategic Support - Environmental & Utility Services	19.00	21.50	21.00	21.50
Total	**56.00**	**67.00**	**67.00**	**70.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Energy Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Energy Community Programming					
Climate Smart	0	2,189,083	1,810,359	1,810,359	7.25
Local Energy Programs	5,837,321	20,411,661	2,537,192	2,695,889	9.00
Sub-Total	**5,837,321**	**22,600,744**	**4,347,551**	**4,506,248**	**16.25**
Energy Customer Support					
Data and Call Center Management	6,363,995	6,402,099	6,932,782	6,932,782	4.00
Marketing and Public Affairs	1,779,856	1,885,181	2,216,677	2,216,677	6.75
Sub-Total	**8,143,851**	**8,287,280**	**9,149,459**	**9,149,459**	**10.75**
Providing Clean Energy to the Community					
Conventional Energy Supply	222,360,192	194,180,965	142,853,415	142,911,953	1.55
Electrical Grid Administration and Scheduling	(7,465,738)	9,393,180	9,396,038	9,396,038	0.25
Energy Risk Management	670,032	1,139,037	1,118,764	1,198,113	5.50
Regulatory Compliance	1,906,424	2,281,136	2,355,631	2,355,631	8.00
Renewable and Greenhouse Gas-Free Energy Supply	67,751,104	87,593,813	87,900,425	88,199,999	3.10
Resource Adequacy Supply	148,528,670	135,751,915	100,016,820	100,133,894	3.10
Sub-Total	**433,750,684**	**430,340,046**	**343,641,093**	**344,195,628**	**21.50**
Strategic Support - Environmental & Utility Services					
Energy Emergency Response and Recovery	223,709	0	0	0	0.00
Energy Financial Management	3,011,456	3,384,913	3,485,837	3,565,186	15.90
Energy Human Resources	429,417	522,623	550,289	550,289	2.40
Energy Legal Support	193,595	240,000	200,000	200,000	0.00
Energy Management and Administration	3,797,016	3,524,097	3,041,766	3,041,766	3.20
Sub-Total	**7,655,193**	**7,671,633**	**7,277,892**	**7,357,241**	**21.50**
Strategic Support - Other - Environmental & Utility Services					

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

** 2024-2025 Actuals may not subtotal due to rounding.

Energy Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Energy Debt/Financing Costs	2,037,909	2,147,000	1,601,000	1,601,000	0.00
Energy Overhead	2,378,092	2,384,448	2,313,321	2,401,391	0.00
Sub-Total	**4,416,001**	**4,531,448**	**3,914,321**	**4,002,391**	**0.00**
Total	**$459,803,050**	**$473,431,151**	**$368,330,316**	**$369,210,967**	**70.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**67.00**	**40,624,449**	**1,303,395**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(2,731,000)	0
• 2025 Programs Roadmap		(12,510,000)	0
One-time Prior Year Expenditures Subtotal:	**0.00**	**(15,241,000)**	**0**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		548,897	35,047
• GASB 87 Leases: Land and Buildings		205,643	0
• Contract Services: Energy Generation (Calpine)		168,480	0
• Software/Information Services: Energy Portfolio Analytics		37,190	0
• Vacancy Factor Adjustment		24,736	24,736
• Contract Services: Power Resources (Northern California Power Agency)		24,000	0
• Contract Services: Building Performance Ordinance Fee Program		3,500	3,500
• Postage: Building Performance Ordinance Fee Program		100	100
• Fund Shift: Climate Smart Staffing	0.00	0	220
Technical Adjustments Subtotal:	**0.00**	**1,012,546**	**63,603**
2026-2027 Forecast Base Budget:	**67.00**	**26,395,995**	**1,366,998**
Budget Proposals Recommended			
1. Strategic Load Management Staffing	1.00	300,186	0
2. Energy Hedging Program Review		175,000	0
3. Risk Management and Contracts Administration Compliance Oversight Staffing	1.00	158,698	0
4. Demand Side Power Portfolio Management Staffing	1.00	158,697	0
Total Budget Proposals Recommended	**3.00**	**792,581**	**0**
2026-2027 Proposed Budget Total	**70.00**	**27,188,576**	**1,366,998**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Strategic Load Management Staffing	**1.00**	**300,186**	**0**

Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Conventional Energy Supply, Renewable and Greenhouse Gas-Free Energy Supply, and Resource Adequacy Supply Programs

This action adds 1.0 Principal Power Resources Specialist position and ongoing non-personal/equipment funding of $7,500 in the San José Clean Energy Operating Fund. This position will lead strategy, market development and engagement, product development, and the structuring of rate tariffs to serve large-load customers such as data centers, advanced manufacturing, and electric vehicle charging providers that are in the development pipeline. Additionally, the position will provide support to the Account Management, Marketing, and Public Affairs Division in the Energy Department. Specific duties include: develop and maintain a segmented pipeline of potential large-load customers, including custom strategies and account plans; benchmark Investor Owned Utilities, Community Choice Aggregators, and out-of-state peers on tariffs, programs, and service levels and translate findings into SJCE offerings; respond to pricing requests, lead executive briefings, and negotiate term sheets and special contracts in coordination with internal teams and the City Attorney's Office; partner with teams across the Department to design compliant, revenue-adequate offerings, including flexible structures and 24/7 clean energy options; lead the development of an overall strategy for managing and account services for large-load customers, including securing rate approvals from the Risk Oversight Committee and City Council; and coordinate community and media messaging related to large-load offerings with the marketing team. This position will provide the strategic focus, coordination, and expertise required to attract and serve large-load customers while protecting existing customers and the City and ensuring SJCE is well-positioned to manage a rapidly evolving energy market. (Ongoing costs: $300,186)

2. Energy Hedging Program Review		**175,000**	**0**

Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Renewable and Greenhouse Gas-Free Energy Supply Program

This action adds one-time non-personal/equipment funding of $175,000 in the San José Clean Energy Operating Fund for a third-party review of the Department's power procurement practices and strategies related to its Energy Hedging Program. This funding will be used for contractor services from industry-standard experts who will review risk management and portfolio modeling, provide validation on the City's existing methodologies of its Energy Hedging Program, help ensure alignment with industry best practices, and recommend areas for further refinement. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Risk Management and Contracts Administration Compliance Oversight Staffing	**1.00**	**158,698**	**0**

Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Energy Risk Management Program
Strategic Support – Environmental & Utility Services Core Service
Energy Financial Management Program

This action adds 1.0 Power Resources Specialist I/II position and ongoing non-personal/equipment funding of $7,500 in the San José Clean Energy Operating Fund to support the administration of the City's growing number of power purchase agreements. Since 2018-2019, SJCE has grown its portfolio to approximately $3.0 billion. The Power Resources Specialist I/II will be added to the Risk Management & Contracts Administration Division that reviews and interprets contracts, reviews and validates invoices received from SJCE's energy counterparties, ensures contract compliance with increasingly complex agreements, and supports the expansion of the City's portfolio of long-term purchase agreements that are expected to increase from 10 to 18 over the next two years. (Ongoing costs: $188,934)

4. Demand Side Power Portfolio Management Staffing	**1.00**	**158,697**	**0**

Environmental and Utility Services CSA
Energy Community Programming Core Service
Local Energy Programs Program

This action adds 1.0 Power Resources Specialist I/II position and ongoing non-personal/equipment funding of $7,500 in the San José Clean Energy Operating Fund to lead the growth and operational management of SJCE's demand side management resource portfolio. A primary challenge with the contemporary power grid is managing energy usage around peak hours, where demand peaks and energy production drops off. Strains to the power grid are priced higher during peak demand to reflect the equilibrium of power demand and power supply. To help reduce customer costs and power grid strain during peak hours, SJCE is investing its resources into developing its analysis capabilities and strategic program investment to help shift the demand of power to non-peak hours through aggregated-load flexibility resources. This position will be responsible for building a 25+ megawatt aggregated load-flexibility resource by 2028 through commercial participation, behavioral demand response, and automated management of residential battery storage, smart thermostats, heat pump water heaters, and electric pump load shifting. This position will design and implement customer engagement strategies, pitch program participation to commercial customers, and generate case studies and messaging campaigns to support enrollment and continued customer participation. (Ongoing costs: $188,936)

2026-2027 Proposed Budget Changes Total	**3.00**	**792,581**	**0**

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Energy Community Programming

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★ *PM 1*	Ratio of survey respondents who are aware of Climate Smart San José	1:2	1:2	1:2	1:2
 *PM 2*	% of San José Clean Energy program funding invested in environmental justice communities	61%	54%	61%	50%[1]

[1] Reflects lower anticipated SJCE customer program funding, as SJCE prioritizes leveraging its resources to mitigate the financial impacts of the increased Power Charge Indifference Adjustment (PCIA).

Energy Department

Performance Summary

Energy Community Programming

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Climate Smart Initiative External Funding: - # of grant applications submitted	17	7	12	14
	- $ of grants applied to that are awarded	$23,047,812	$ 3,000,000	$ 6,084,478	$1,000,000[1]
AWH 2	Outreach: - # of individuals reached by Climate Smart outreach activities	209,173	134,275	98,901	98,900
AWH 3	Customer savings $ from San José Clean Energy programs	$5,700,000	$37,000,000[2]	$26,500,000	$16,000,000[3]

[1] Reflects a decrease in federal grant opportunities and the resulting increased competition for remaining federal grants.

[2] Savings forecast was dependent on the continuation of federal tax credits for consumer purchases of electric vehicles, battery storage, and heat pumps that were often stacked on top of and help drive participation in San José Clean Energy incentive programs.

[3] Reflects lower anticipated SJCE customer program funding, as SJCE prioritizes leveraging its resources to mitigate the financial impacts of the PCIA.

Data Sources: Energy Community Programming

Number	Data Source
PM 1	Annual Climate Smart Survey (data available by March 1)
PM 2	Internal file ("SJCE CPUC Costs Tracker")
AWH 1	Climate Smart External Resources tracker updated monthly by Climate Smart staff
AWH 2	Climate Smart data tracking (updated monthly); Climate Smart Challenge platform user reports
AWH 3	Internal file ("SJCE CPUC Costs Tracker")

Energy Department

Performance Summary

Energy Customer Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of customers who opt out[1]	2.66%	<5%	2.59%	<5%
 *PM 2*	% of customers that opt up to Total Green	0.49%	0.50%	0.48%	0.47%

1 When the San José Clean Energy (SJCE) program initially launched, San José customers were automatically enrolled, or opted in to the program. Customers do have the option to leave or opt out of SJCE service at any time.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of customers that opt up to TotalGreen	1,741	1,750	1,700	1,675
AWH 2	# of San José Clean Energy customer accounts	351,776	350,000	354,000	355,000

Data Sources: Energy Customer Support

Number	Data Source
PM 1	PG&E SJ Care file, all products - 4013 Stats
PM 2	PG&E SJ Care file, all products - 4013 Stats
AWH 1	PG&E SJ Care file, all products - 4013 Stats
AWH 2	PG&E SJ Care file, all products - 4013 Stats

Energy Department

Performance Summary

Providing Clean Energy to the Community

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of Total Supply from Long-Term Contracts[1]	39%	45%	48%	42%
 *PM 2*	% of Renewable Energy from Long-Term Contracts[1]	98%	65%[2]	98%	65%[2]

1 Performance measures assessed on a calendar-year basis to align with state-mandated compliance metrics.

2 Target ties to state renewable portfolio standard mandate per SB 350.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total MWh Renewable Energy & Carbon-Free Energy Delivered[1,2]	3,304,953	3,582,740	3,322,752	3,589,741
AWH 2	Total MWh Delivered[1,2]	3,742,027	3,676,679	3,687,503	3,770,034
AWH 3	Quantity of Operating Resources[1]	10	12	15	19

1 Activity and Workload Highlights assessed on a calendar-year basis to align with state-mandated compliance metrics.

2 A megawatt-hour (MWh) is a unit of measurement that describes the amount of energy produced by one megawatt of power over the course of one hour.

Data Sources: Providing Clean Energy to the Community

Number	Data Source
PM 1	SJCE internal contracts maintenance file
PM 2	SJCE internal contracts maintenance file
AWH 1	SJCE internal contracts maintenance file
AWH 2	SJCE internal pro forma
AWH 3	SJCE internal contracts maintenance file

Energy Department

Performance Summary

Strategic Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% change in all-in GreenSource charges year over year	-3.4%	-7.0%	-12.9%	-14.0%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total customer savings compared to PG&E	$23.50	$35.0M	$29.6M	-$1.3M[1]

[1] Total customer savings is expected to be lower due to rate impacts from PG&E's Power Charge Indifference Adjustment increasing by 470%.

Data Sources: Strategic Support

Number	Data Source
PM 1	SJCE internal file ("UIE and Other Costs Report")
AWH 1	SJCE internal file ("UIE and Other Costs Report")

Energy Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Analyst I/II	6.00	6.00	-
Assistant Director	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Environmental Services Specialist	3.00	3.00	-
Planner IV	1.00	1.00	-
Power Resources Specialist I/II	12.00	14.00	2.00
Principal Account Clerk	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Power Resources Specialist	4.00	5.00	1.00
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	4.00	4.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	2.00	2.00	-
Senior Environmental Program Manager	1.00	1.00	-
Senior Power Resources Specialist	11.00	11.00	-
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Supervising Environmental Services Specialist	2.00	2.00	-
Total Positions	**67.00**	**70.00**	**3.00**

Environmental Services Department

Jeffrey Provenzano, Director

MISSION

Delivering world class utility services and programs to improve our health, environment, and economy

CITY SERVICE AREA

Environmental Utility Services

CORE SERVICES

POTABLE WATER DELIVERY

Develop, operate, and maintain the City's municipal potable water system.

RECYCLED WATER MANAGEMENT

Develop, operate, and maintain a recycled water system that reduces effluent to the Bay and provides a reliable and high-quality alternative water supply.

RECYCLING AND GARBAGE SERVICES

Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.

STORMWATER MANAGEMENT

Protect the health of the South Bay watershed through regulatory programs that prevent pollution from entering the storm sewer system and waterways.

SUSTAINABILITY AND ENVIRONMENTAL HEALTH

Provide innovative solutions to tackle climate change and reduce emissions by promoting enhanced air quality, environmentally responsible land use, sustainable energy practices, and conservation of water and energy resources.

UTILITY REGULATORY ADVOCACY AND COMPLIANCE

Oversee environmental permitting and planning, compliance, and legislative advocacy for City facilities, and collaborates on advancing beneficial reuse of wastewater.

WASTEWATER MANAGEMENT

Manage wastewater for suitable discharge into the south San Francisco Bay and for beneficial reuse to protect the environment and public health.

Strategic Support: Public Education, Long Range Planning, Human Resources, Facility Management, Financial Management, Information Technology Services, Clerical Support, Materials Management, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Potable Water Delivery Core Service	
Municipal Water System Operations and Maintenance	Operates and maintains the Municipal Water System to ensure a reliable, safe, and potable water supply.
Municipal Water System Planning and Capital Project Delivery	Plans, coordinates, and executes capital projects within the Municipal Water System service area.
Recycled Water Management Core Service	
South Bay Water Recycling Operations and Maintenance	Operates and maintains the South Bay Water Recycling system.
Recycling and Garbage Services Core Service	
Civic / Other Solid Waste Collection Services	Provides management and oversight of all solid waste services generated from City facilities and includes funding from non-rate-payer funds to provide waste diversion services to restrict or redirect waste from entering local landfills.
Commercial Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, program compliance, and disposal services related to commercial accounts within the City and includes inspection services, outreach, and the maintenance of public litter cans within the right-of-way.
Recycling and Garbage Services Administration	Administers and manages all solid waste services.
Residential Solid Waste Collection Services	Provides management and oversight of all solid waste collections, sorting, recycling, outreach, customer service, program compliance, disposal services, and inspection activities related to single-family households and multi-family households within the City.
Stormwater Management Core Service	
Stormwater Administration	Provides executive-level management and administration of the Stormwater Management Core Service. Also provides mid-level and clerical administrative support.
Stormwater Enforcement	Educates and regulates approximately 10,000 businesses and construction sites in San José regarding stormwater practices to ensure compliance with federal and state requirements for the City's storm sewer system.
Stormwater Policy and Compliance	Facilitates City compliance with its stormwater the National Pollutant Discharge Elimination Program (NPDES) permit for the storm sewer system, including requirements for municipal operations, new development and redevelopment requirements, and control programs for specific pollutants such as trash, PCBs, and mercury. Supports compliance with the requirements of consent decrees and other agreements.

Service Delivery Framework

PROGRAM	DESCRIPTION
Sustainability and Environmental Health Core Service	
Environmental Compliance and Safety	Provides oversight of ESD employee health and safety at all ESD facilities, as well as providing professional compliance services for City lands, including closed landfills, such that both aspects fully comply with all state and federal laws.
Policy, Legislative Advocacy, and Education	Leads the City's efforts to implement Climate Smart San José strategies that address the challenges of climate change for the City. Climate Smart San José has set multiple goals to take meaningful action to reduce carbon emissions through strategic planning, policy implementation, community outreach, and public/private partnerships. Coordinates the City's efforts related to energy efficiency, renewable energy, and greenhouse gas reductions, including administration of the Silicon Valley Energy Watch and other programs. Environmental legislation, advocacy, and policy development are led by this group, as well as external partner relationships for sustainability, water, and wastewater policy and projects.
Utility Regulatory Advocacy and Compliance	
City Facility Land-Use and Compliance	Performs environmental permitting and review for capital improvement activities. Coordinates with state and federal agencies and external partners on capital and land use projects. Oversees habitat and buffer land improvements.
Policy and Legislative Advocacy	Performs review of environmental legislation, advocates for advancement of the City and departmental goals, and engages in policy and partnership development.
Purified Water	Collaborate with regional partners to advance the beneficial reuse of wastewater.
Regulatory Compliance	Protects the environment and public health by ensuring compliance with applicable air, water, and wastewater regulations, including the National Pollutant Discharge Elimination Program (NPDES) permit for the Facility's treated wastewater effluent, and the Title V permit for all of the Facility's major air emissions sources.
Wastewater Management Core Service	
Facility Land Use and Planning	Performs environmental permitting and review for CIP, and coordinates with state and federal agencies and external partners on capital and land use projects. Oversees habitat and buffer land improvements.
Laboratory Services	Performs analysis for monitoring operations and compliance at the San José-Santa Clara Regional Wastewater Facility as well as monitoring industrial discharges to the Facility; supports various studies aimed at understanding and monitoring water quality issues in the Bay and urban tributaries.

Service Delivery Framework

PROGRAM	DESCRIPTION
Wastewater Management Core Service	
Pretreatment	Permits, regulates, and monitors approximately 250 industrial wastewater dischargers and nearly 900 dental practices across the San José-Santa Clara Regional Wastewater Facility's service area to ensure compliance with local, state, and federal pretreatment requirements. Also educates and regulates approximately 4,300 food service establishments in San José to ensure proper management of fats, oils, and grease to minimize sanitary sewer overflows.
Regulatory Compliance and Safety	Manages regulatory compliance for the San José-Santa Clara Regional Wastewater Facility's two major permits: the National Pollutant Discharge Elimination Program (NPDES) permit for the Facility's treated wastewater effluent, and the Title V permit for all of the Facility's major air emissions sources.
San José-Santa Clara Treatment Plant Capital Project Delivery	Provides services for both capital project planning, design, and construction of major projects as well as process engineering services within the San José-Santa Clara Regional Wastewater Facility.
San José-Santa Clara Treatment Plant Operations and Maintenance	Treating an average wastewater influent of over 100 million gallons per day, this program is responsible for the management and daily operations and maintenance of the San José-Santa Clara Regional Wastewater Facility, with the primary objective of ensuring compliance with the NPDES.
Strategic Support Core Service	
Environmental Services Communications	Performs community outreach, marketing, and media relations to advance key environmental priorities, including garbage and recycling services, watershed protection and pollution prevention, municipal drinking water and recycled water, community sustainability initiatives, and the San José-Santa Clara Regional Wastewater Facility.
Environmental Services Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Environmental Services Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions. Additionally provides oversight of employee health and safety at all Department facilities.
Environmental Services Information Technology	Provides information technology services, planning, system development, and maintenance for the Department in coordination with the Information Technology Department.
Environmental Services Management and Administration	Provides executive-level, analytical, and administrative support to the department.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Build, operate, and maintain the City's wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Promote the health of the environment and South Bay watershed through the collection, treatment, and management of wastewater and stormwater runoff.
- Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Reduce the City's environmental footprint through energy efficiency, waste reduction, and environmentally preferable purchases.
- Support sustainable infrastructure, equipment, and behaviors throughout the community through education and public-private partnerships.

2026-2027 Key Budget Actions

- Increases Residential Garbage and Recycling rates up to 7% for single-family and 4% for multi-family households to maintain cost recovery as contract expenditures will increase due to annual cost-of-living adjustments for solid waste haulers. Additionally, these increases will enable the City to continue to implement contamination reduction efforts, as well as expand access to Junk Pick-up and Household Hazardous Waste programs.
- Increases Sanitary Sewer revenues by 1% to maintain cost recovery for maintenance, operations, and capital improvements for the Sanitary Sewer System and San José's portion of San José-Santa Clara Regional Wastewater Facility (RWF) costs.
- Includes a revenue adjustment for the Municipal Water System of approximately 8% for 2026-2027, primarily to account for the increased cost of wholesale water.
- Makes permanent 1.0 Community Activity Specialist to serve as the field lead for the Contamination and Recycling Tagging project, contributing to decreased rates of recycling contamination.
- Makes permanent 1.0 Environmental Inspector in Integrated Waste Management Environmental Enforcement, increasing the Department's ability to respond to dangerous accumulations of garbage and recycling materials, as well as early set-outs of yard trimmings.
- Makes permanent 1.0 Environmental Services Specialist to support major program updates to the Construction and Demolition program and the associated workload.
- Adds 1.0 Environmental Services Specialist and deletes 1.0 Staff Specialist to support the Department's health and safety efforts.
- Makes key investments in data management and compliance, with additions of a database for SB1383 compliance and a financial modeling software for sanitary sewer rates.
- Adds $3.0 million to purchase equipment, including two new dredges for the RWF and eight new or replacement vehicles for the Water Resources, Watershed Protection, and Integrated Waste Management programs.

Operating Funds Managed

- Integrated Waste Management Fund
- San José-Santa Clara Treatment Plant Income Fund
- San José-Santa Clara Treatment Plant Operating Fund
- Sewer Service and Use Charge Fund
- Storm Sewer Operating Fund
- South Bay Water Recycling Operating Fund
- Sewage Treatment Plant Connection Fee Fund
- Water Utility Fund

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Potable Water Delivery	60,807,493	65,558,711	70,704,359	70,967,359
Recycled Water Management	18,304,395	20,168,174	20,119,710	22,183,710
Recycling & Garbage Services	205,287,793	216,922,030	226,004,367	226,701,831
Stormwater Management	10,608,979	12,270,643	11,644,383	12,251,833
Strategic Support - Environmental & Utility Services	16,875,789	21,676,656	20,267,787	20,881,585
Strategic Support - Other - Environmental & Utility Services	29,185,391	27,135,268	24,763,641	24,868,585
Sustainability and Environmental Health	6,056,043	381,112	0	0
Utility Regulatory Advocacy and Compliance	1,875,726	6,487,846	6,553,902	6,903,902
Wastewater Management	104,977,185	135,862,582	133,980,458	136,421,458
Total	**$453,978,794**	**$506,463,022**	**$514,038,607**	**$521,180,263**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	110,859,773	122,108,382	124,470,682	124,998,444
Overtime	3,338,157	1,127,346	1,234,525	1,234,525
Subtotal Personal Services	$114,197,930	$123,235,728	$125,705,207	$126,232,969
Non-Personal/Equipment	290,655,237	335,858,891	341,503,286	348,012,236
Total Personal Services & Non-Personal/Equipment	**$404,853,167**	**$459,094,619**	**$467,208,493**	**$474,245,205**
Other Costs *				
City-Wide Expenses	1,775,878	1,977,682	1,240,000	1,240,000
General Fund Capital	6,877	0	0	0
Housing Loans and Grants	0	0	0	0
Other	18,239,094	19,797,703	21,999,287	21,999,287
Other - Capital	0	0	0	0
Overhead Costs	28,383,264	24,551,018	22,770,827	22,875,771
Workers' Compensation	720,514	1,042,000	820,000	820,000
Total Other Costs	**$49,125,627**	**$47,368,403**	**$46,830,114**	**$46,935,058**
Total	**$453,978,794**	**$506,463,022**	**$514,038,607**	**$521,180,263**

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** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	8,366,438	6,582,998	5,366,934	5,717,711
Emergency Reserve Fund (406)	36,782	0	0	0
Integrated Waste Management Fund (423)	207,872,380	219,777,539	228,605,945	229,405,205
Multi-Source Housing Fund (448)	119,638	0	0	0
San José-Santa Clara Treatment Plant Operating Fund (513)	122,878,432	156,897,130	152,838,177	155,306,969
Sewer Service and Use Charge Fund (541)	3,583,268	4,541,630	4,526,850	5,104,790
South Bay Water Recycling Operating Fund (570)	19,531,767	22,599,419	21,755,108	23,821,723
Storm Sewer Operating Fund (446)	19,701,928	18,977,253	18,171,511	18,782,866
Water Utility Fund (515)	65,195,148	69,293,979	75,051,465	75,318,382
Capital Funds	6,693,013	7,793,074	7,722,617	7,722,617
Total	**$453,978,794**	**$506,463,022**	**$514,038,607**	**$521,180,263**
**Positions by Core Service ** **				
Potable Water Delivery	41.95	41.20	41.20	41.20
Recycled Water Management	30.04	29.61	29.61	29.61
Recycling & Garbage Services	41.00	44.00	44.00	47.00
Stormwater Management	43.10	42.15	42.15	42.15
Strategic Support - Environmental & Utility Services	80.20	82.00	82.00	82.00
Strategic Support - Other - Environmental & Utility Services	0.10	0.10	0.10	0.10
Sustainability and Environmental Health	30.80	1.00	0.00	0.00
Utility Regulatory Advocacy and Compliance	0.00	23.00	24.00	24.00
Wastewater Management	324.81	318.94	318.94	318.94
Total	**592.00**	**582.00**	**582.00**	**585.00**

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Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Potable Water Delivery					
Municipal Water System Operations and Maintenance	59,523,991	64,899,082	70,037,194	70,300,194	37.75
Municipal Water System Planning and Capital Project Delivery	1,283,502	659,629	667,165	667,165	3.45
Sub-Total	**60,807,493**	**65,558,711**	**70,704,359**	**70,967,359**	**41.20**
Recycled Water Management					
South Bay Water Recycling Operations and Maintenance	18,304,395	20,168,174	20,119,710	22,183,710	29.61
Sub-Total	**18,304,395**	**20,168,174**	**20,119,710**	**22,183,710**	**29.61**
Recycling & Garbage Services					
Civic/Other Solid Waste Collection Services	4,288,804	5,362,497	3,030,079	3,214,587	4.90
Commercial Solid Waste Collection Services	2,715,214	3,032,927	3,049,180	3,241,582	12.48
Recycling and Garbage Services Administration	7,934,865	8,226,816	9,433,428	9,753,982	29.62
Residential Solid Waste Collection Services	190,348,910	200,299,790	210,491,680	210,491,680	0.00
Sub-Total	**205,287,793**	**216,922,030**	**226,004,367**	**226,701,831**	**47.00**
Stormwater Management					
Stormwater Administration	893,367	751,264	757,983	757,983	2.35
Stormwater Enforcement	4,365,432	5,404,976	4,966,623	5,149,073	23.80
Stormwater Policy and Compliance	5,350,180	6,114,403	5,919,777	6,344,777	16.00
Sub-Total	**10,608,979**	**12,270,643**	**11,644,383**	**12,251,833**	**42.15**
Strategic Support - Environmental & Utility Services					
Environmental Services Communications	3,837,509	4,264,824	4,317,461	4,317,461	12.00
Environmental Services Financial Management	4,137,217	5,475,199	6,682,231	7,257,231	32.00
Environmental Services Human Resources	1,307,978	2,068,815	2,616,895	2,655,693	13.00

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** 2024-2025 Actuals may not subtotal due to rounding.

Environmental Services Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Environmental Services Information Technology	3,899,470	4,677,620	3,603,221	3,603,221	16.00
Environmental Services Management and Administration	3,693,615	5,190,198	3,047,979	3,047,979	9.00
Sub-Total	**16,875,789**	**21,676,656**	**20,267,787**	**20,881,585**	**82.00**
Strategic Support - Other - Environmental & Utility Services					
Environmental Services Capital	8,469	0	0	0	0.00
Environmental Services Other Departmental - City-Wide	1,253,605	1,542,250	1,172,814	1,172,814	0.10
Environmental Services Other Operational - Administration	104,260	0	0	0	0.00
Environmental Services Overhead	27,098,543	24,551,018	22,770,827	22,875,771	0.00
Environmental Services Workers' Compensation	720,514	1,042,000	820,000	820,000	0.00
Sub-Total	**29,185,391**	**27,135,268**	**24,763,641**	**24,868,585**	**0.10**
Sustainability and Environmental Health					
Environmental Compliance and Safety	2,089,018	381,112	0	0	0.00
Policy, Legislative Advocacy and Education	3,967,025	0	0	0	0.00
Sub-Total	**6,056,043**	**381,112**	**0**	**0**	**0.00**
Utility Regulatory Advocacy and Compliance					
City Facility Land-Use and Compliance	1,113,074	3,252,365	2,368,508	2,368,508	9.00
Policy and Legislative Advocacy	4,097	148,470	596,177	596,177	2.00
Purified Water	580,050	727,698	724,462	724,462	2.50
Regulatory Compliance	178,505	2,359,313	2,864,755	3,214,755	10.50
Sub-Total	**1,875,726**	**6,487,846**	**6,553,902**	**6,903,902**	**24.00**
Wastewater Management					
Facility Land Use and Planning	9,730	0	0	0	0.00

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Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Laboratory Services	6,225,793	6,987,089	6,913,668	6,913,668	27.20
Pretreatment	6,249,572	6,934,976	6,791,284	6,791,284	29.85
Regulatory Compliance and Safety	778,018	0	0	0	0.00
San José-Santa Clara Treatment Plant Capital Project Delivery	13,367,010	23,541,694	19,487,583	19,487,583	48.00
San José-Santa Clara Treatment Plant Operations and Maintenance	78,347,062	98,398,823	100,787,923	103,228,923	213.89
Sub-Total	**104,977,185**	**135,862,582**	**133,980,458**	**136,421,458**	**318.94**
Total	**$453,978,794**	**$506,463,022**	**$514,038,607**	**$521,180,263**	**585.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**582.00**	**459,094,619**	**4,605,316**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(3,271,583)	(121,293)
• Dewatering Facility Electricity Costs		730,000	0
• Facility Security Improvements		(1,800,000)	0
• Heavy Equipment Purchases		(1,640,000)	0
• Distributed Control System and Windows 11 Upgrades		(801,400)	0
• Retail Recycled Water Distribution Facilities		(350,000)	0
• Environmental Inspection Vehicles		(283,250)	0
• Pump Station Site Improvement		(250,000)	0
• Water Service Vehicles		(160,000)	0
• Groundwater Well Removal		(125,000)	(125,000)
• Storm Drain Inlet Markings		(101,500)	0
• PFAS Evaluation and Investigations for Seven Fire Station Locations		(75,000)	(75,000)
• Contamination and Recycling Tagging Project		(62,300)	0
• PFAS Monitoring for Fire Training Center		(55,000)	(55,000)
• Public Litter Can Maintenance Staffing and Support		(26,800)	0
One-Time Prior Year Expenditures Subtotal:	**0.00**	**(8,271,833)**	**(376,293)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Environmental Inspector II to 1.0 Environmental Services Specialist	0.00	2,137,849	20,930
• Contract Services: Single-Family Recycle Plus		6,130,602	0
• Wholesale Water		5,003,602	0
• Contract Services: Yard Trimming Collection/Processing		2,201,089	0
• Contract Services: Single Family Dwelling Processing		1,231,267	0
• Contract Services: County of Santa Clara Household Hazardous Waste Program		1,042,000	0
• Contract Services: Multi-Family Recycle Plus		482,368	0
• Vacancy Factor Adjustment		215,816	0
• Overtime Adjustment		107,179	0
• Night Shift Differential Adjustment		6,285	0
• Fund Shift: Cost Allocation Staffing Plan		2,350	(123,019)
• Budget Program Realignment: Regulatory Compliance		0	0

Environmental Services Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Technical Adjustments to Costs of Ongoing Activities			
• Budget Realignment: Postage		0	0
• Budget Program Realignment: Mechanical Dewatering Facility Hauling		0	0
• Budget Program Realignment: ESD Staffing		0	0
• Utilities: Electricity, Gas, Water		(1,443,900)	0
• Budget Realignment: Environmental Innovation Center, Zero Waste Innovation Grant Program, Construction & Demolition Reimbursement Program		(648,800)	0
• Vehicle Operations & Maintenance		(82,000)	0
Technical Adjustments Subtotal:	**0.00**	**16,385,707**	**(102,089)**
2026-2027 Forecast Base Budget:	**582.00**	**467,208,493**	**4,126,934**
Budget Proposals Recommended			
1. Residual Solids Management Operations Dredges		2,415,000	0
2. South Bay Water Recycling Metering and Pressure Monitoring Improvements		2,000,000	0
3. Sanitary Sewer Cost-of-Service Study and Rate Modeling Software		575,000	0
4. Water Resources Division Vehicle Replacements		320,000	0
5. Storm Drain Inlet Marking Compliance (Procurement)		225,000	0
6. Fire Stations PFAS Investigations and Cleanup		220,000	220,000
7. Construction and Demolition Diversion Program Staffing (Continuation)	1.00	184,508	0
8. Environmental Enforcement Program Vehicle Replacement		180,450	0
9. Solid Waste Enforcement Program Staffing (Continuation)	1.00	179,477	0
10. Non-Profit Creek Cleanup Partnerships (Continuation)		150,000	0
11. Recycling Contamination Reduction and Junk Pick-Up Field Staffing (Continuation)	1.00	132,479	0
12. Former Fire Training Center PFAS Investigation and Cleanup		130,000	130,000
13. Solid Waste Tracking and Management Software		100,000	0
14. Commercial Public Litter Can Program Vehicle		100,000	0
15. Outreach for Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		50,000	0
16. Environmental Health and Safety Team Staffing	0.00	38,798	777
17. Vehicle Operations and Maintenance (Fleet Staffing)		36,000	0
Total Budget Proposals Recommended	**3.00**	**7,036,712**	**350,777**
2026-2027 Proposed Budget Total	**585.00**	**474,245,205**	**4,477,711**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Residual Solids Management Operations Dredges		**2,415,000**	**0**

Environmental and Utility Services CSA
Wastewater Management Core Service
San José-Santa Clara Treatment Plant Operations and Maintenance Program

This action adds $2.4 million one-time non-personal/equipment funding in the San José-Santa Clara Treatment Plant Operating Fund for the San José–Santa Clara Regional Wastewater Facility (RWF) to purchase and fully outfit two dredges used in the Residual Solids Management (RSM) operations. The new dredges, used to support the lagoon and drying bed work, will replace two existing units needed to support RSM operations, which is expected to continue for at least four years and potentially up to six years. The existing four dredges are regularly out of service for repairs, and to maintain operations, dredges are rented at $50,000 to $100,000 per month per dredge, resulting in a minimum annual cost of approximately $1.2 million. Purchasing the new dredges will reduce reliance on rented equipment and provide reliable equipment that can be maintained by on-site Fleet staff. Significant savings are expected to be realized in rental costs – potentially exceeding $3 million in savings while the lagoons are in use – while improving operational reliability. When lagoon operations are eventually retired, the dredges are expected to retain resale value in the used equipment market, allowing the Department to recover a portion of the purchase cost. (Ongoing costs: $0)

2. South Bay Water Recycling Metering and Pressure Monitoring Improvements		**2,000,000**	**0**

Environmental and Utility Services CSA
Recycled Water Management Core Service
South Bay Water Recycling Operations and Maintenance Program

This action adds $2.0 million one-time non-personal/equipment funding in the South Bay Water Recycling (SBWR) Operating Fund to install two master metering and pressure monitoring stations at key entry points to recycled water retailer service areas within the SBWR system. The stations will measure volumetric flow, system pressure, and water quality to support billing accuracy, system monitoring, and operational decision-making. The SBWR system provides a drought-resilient recycled water supply to regional partners, but it currently lacks direct monitoring at retailer gateways. As a result, staff must rely on indirect indicators to evaluate system flows, pressures, and conditions, which can delay the detection of leaks, pressure anomalies, or water quality concerns. Installing these stations will provide real-time, location-specific data which will improve operational visibility, quickly identify system issues, and enhance operational efficiency. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Sanitary Sewer Cost-of-Service Study and Rate Modeling Software		**575,000**	**0**

Environmental and Utility Services CSA
Strategic Support – Environmental and Utility Services Core Service
Environmental Services Financial Management Program

This action adds $500,000 in one-time funding and $75,000 in ongoing funding in the Sewer Service and Use Charge Fund for a sanitary sewer cost-of-service study and implementation of utility rate modeling software. The $500,000 in funding will provide for consultant services to conduct an independent review of cost-of-service assumptions used in San José sanitary sewer rate setting. The consultant will conduct a study to provide an objective analysis of the variables used to set sanitary sewer rates and evaluate industry best practices. The consultant's work will include modeling revenue by sewer user category using updated flow and loading assumptions, reviewing compliance with California Proposition 218 and California State Water Resources Control Board requirements, developing standardized reporting templates for ongoing analysis, and facilitating stakeholder discussions with tributary agencies. The $75,000 in funding will provide for commissioning, customization, and user licensing of sanitary sewer utility rate modeling software. This proposal responds to recommendations from the San José City Auditor's Office report "Sewer Rates: Reviewing Rate Model Assumptions and Developing Reserve Policies Would Improve the Rate-Setting Process." The report recommended implementing rate modeling software and evaluating whether cost allocation methods could be improved through the use of an external consultant. Implementing a cloud-based rate modeling system will enable more efficient real-time analysis, reduce manual processes, and improve the accuracy and defensibility of sewer rate development for residents, businesses, industrial dischargers, and tributary agencies. (Ongoing costs: $75,000)

4. Water Resources Division Vehicle Replacements		**320,000**	**0**

Environmental and Utility Services CSA
Potable Water Delivery Core Service
Municipal Water System Operations and Maintenance Program
Recycled Water Management Core Service
South Bay Water Recycling Operations and Maintenance Program

This action adds $320,000 one-time non-personal/equipment funding in the Water Utility Operating Fund ($256,000) and South Bay Water Recycling Fund ($64,000) to replace four vehicles in the Water Resources Division. Funds are provided to replace two trucks and two SUVs used for daily field inspections, maintenance, and emergency response operations supporting the City's potable and recycled water systems. These vehicles have exceeded their useful lives. Replacing them will ensure staff have safe, reliable transportation to perform inspections, respond to emergencies, and maintain water infrastructure efficiently. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Storm Drain Inlet Marking Compliance (Procurement)		**225,000**	**0**

Environmental and Utility Services CSA
Stormwater Management Core Service
Stormwater Policy and Compliance Program

This action adds $225,000 one-time non-personal/equipment funding in the Storm Sewer Operating Fund to continue purchasing markers for the storm drain inlets. Funding was previously approved for 2025-2026, allowing marking of roughly one-third of the inlets, with the remaining 23,000 of the 35,000 inlets to be marked over the next two years. To remain in compliance with the Municipal Regional Stormwater Permit (MRSP), municipally maintained storm drain inlets must display an appropriate stormwater pollution prevention message. Further, the MRSP requires the City to mark at least 80% of the municipally maintained storm drains with markings that display "No Dumping" on the inlets by June 30, 2026. Aluminum medallion markers are selected for durability, cost-effectiveness, and ease of installation. Elsewhere in the budget, overtime funding is added in the Department of Transportation's budget for field staff to install medallions during normal drain survey and clearing operations ($150,000). (Ongoing costs: $0)

6. Fire Stations PFAS Investigations and Cleanup		**220,000**	**220,000**

Environmental and Utility Services CSA
Utility Regulatory Advocacy and Compliance Core Service
Regulatory Compliance Program

This action adds $220,000 in one-time non-personal/equipment funding in the General Fund to perform additional investigations and cleanup of Per- and Polyfluoroalkyl Substance (PFAS) contamination at three City of San José Fire Stations. Following a February 2024 order from the San Francisco Bay Regional Water Quality Control Board concerning potential contamination of nearby drinking water supply wells, investigations of seven fire stations are in progress (Fire Stations 4, 6, 9, 10, 13, 14, and 33). Investigations at Fire Stations 10 and 14 have already triggered requirements for further groundwater testing and the cleaning of PFAS-impacted sediments. Results for the remaining stations (Fire Station 4, 13, and 33) are pending and this cost estimate assumes at least one additional station will require additional work. This funding supplements the $240,000 previously allocated one-time for this purpose ($75,000 for investigations and $165,000 for preliminary soil and water sampling, analysis, and reporting). (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Construction and Demolition Diversion Program Staffing (Continuation)	**1.00**	**184,508**	**0**

Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Civic/Other Solid Waste Collection Services Program

This action continues and makes permanent 1.0 Environmental Services Specialist (ESS) funded by the Integrated Waste Management Fund, effective July 1, 2026. The current team in the Construction and Demolition Diversion Program (CDD) consists of 1.0 ESS and 0.5 Senior Office Specialist providing administrative support. A temporary ESS was previously added to support major program updates and the associated increased workload. The team manages waste from construction and demolition projects which is approximately one-third of San José's waste stream. Responsibilities include handling hauler contract management, permit plan review and approvals, correspondence with permit holders and recycling facilities, outreach letters, waste tracking software, and administration of the construction and demolition deposit programs. The program is also implementing several significant updates, including integration of the City's permitting system (AMANDA) with a waste tracking software, implementation of the City's Third-Party Certification Program for City-Certified Recycling Facilities, updated hauler agreements, waste diversion tracking, and in the planning stages for the new criteria for self-haulers. Making the ESS position permanent ensures the team can complete these updates, manage the program's ongoing workload, and maintain compliance with State recycling requirements. (Ongoing costs: $183,654)

8. Environmental Enforcement Program Vehicle Replacement		**180,450**	**0**

Environmental and Utility Services CSA
Stormwater Management Core Service
Stormwater Enforcement Program

This action adds $180,450 one-time non-personal/equipment funding in the Storm Sewer Operating Fund to replace three SUVs in the Watershed Protection fleet used by Environmental Enforcement Inspectors for stormwater inspection programs. There are currently 25 vehicles, including 11 electric vehicles shared by a large team. Environmental Enforcement Inspectors spend 60–75% of their time in the field, performing inspections of approximately 2,800 commercial operations, 400 illegal discharge complaints, 800 food service establishments, 600 grease control devices, and 100 construction projects each month. Vehicles are essential for field operations, providing transportation to inspection sites and functioning as mobile workstations for generating inspection reports, processing samples, and storing and transporting tools and equipment. The vehicles proposed for replacement are between 12 and 15 years old, exceeding the age threshold in the City's vehicle replacement policy which makes the vehicles eligible to be replaced after eight years or 90,000 miles. Replacing these vehicles will provide Environmental Enforcement Inspectors with safe, reliable vehicles in order to efficiently carry out critical inspection and enforcement activities. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Solid Waste Enforcement Program Staffing (Continuation)	**1.00**	**179,477**	**0**

Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Commercial Solid Waste Collection Services and Recycling and Garbage Services Administration Programs

This action continues and makes permanent 1.0 Environmental Inspector I/II position in the Integrated Waste Management Fund, effective July 1, 2026. The Solid Waste Enforcement team, currently consisting of 4.0 Environmental Inspectors and 1.0 Senior Environmental Inspector, is responsible for conducting Municipal Code enforcement and regulatory compliance inspections for more than 325,000 residential accounts and over 8,000 commercial accounts in San José, with service demand increasing by approximately 2% annually. Environmental Inspectors work with solid waste haulers, City staff, and residents to ensure proper solid waste storage, authorized hauling, and correct container set-out to maintain neighborhood cleanliness and protect public health. Complaint cases handled by the enforcement team have increased from 750 in 2022 to more than 1,500 in 2024, while additional enforcement responsibilities have expanded to include compliance with laws such as the SB 1383 and AB 1276. The additional staffing will help the team keep up with complaints, improve customer service, and support proactive inspections and education efforts. The team will have the capacity to take over the enforcement of early yard trimmings set-out from the Planning, Building, and Code Enforcement Department, thus providing residents a single point of contact for solid waste concerns. (Ongoing costs: $178,555)

10. Non-Profit Creek Cleanup Partnerships (Continuation)		**150,000**	**0**

Environmental and Utility Services CSA
Stormwater Management Core Service
Stormwater Policy and Compliance Program

This action continues one-time non-personal/equipment funding of $150,000 in the Storm Sewer Operating Fund to support three local non-profit organizations that conduct creek clean-up events throughout San José. The City has historically partnered with organizations such as Keep Coyote Creek Beautiful, South Bay Clean Creeks Coalition, and TrashPunx to organize volunteer clean-ups along Coyote Creek, Guadalupe River, and Los Gatos Creek. In 2024–2025, these organizations held 21 volunteer creek clean-ups, removed over 33 tons of trash and debris, and engaged 745 volunteers who contributed more than 1,900 hours of service. Federal Environmental Protection Agency funding that previously supported these activities has expired, creating a funding gap for ongoing operations. Funding of $50,000 to each organization will be used to continue trash removal, improve water quality, protect aquatic and riparian habitats, and engage new volunteers in recurring community events. The work also helps the City meet requirements under the MRSP Provisions C.7 (Public Information and Outreach) and C.10 (Trash Load Reduction). This work will be funded using settlement funds received in the Storm Sewer Operating Fund. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
11. Recycling Contamination Reduction and Junk Pick-Up Field Staffing (Continuation)	**1.00**	**132,479**	**0**

Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Recycling and Garbage Services Administration Program

This action continues and makes permanent 1.0 Community Activity Specialist (CAS) position in the Integrated Waste Management Fund to support the Contamination and Recycling Tagging (CART) Program. The CART Program strives to reduce recycling contamination, increase proper waste sorting, and minimize landfill waste. Since launching a pilot program in March 2024, recycling contamination has reduced by approximately 28% and the solid waste rate increase for single-family dwelling customers was limited to approximately 2% in 2025–2026. Recycling Ambassadors inspect recycling carts, tag contaminated carts, provide multilingual education materials, and speak with residents about proper recycling practices and City services. The CAS serves as the field supervisor for the Recycling Ambassador team and oversees training, field operations, and program coordination. In 2025-2026, an Environmental Services Specialist and two Community Activity Worker (CAW) positions were added to create this team. Making the CAS position permanent will also support expanding the program to multi-family dwellings, where recycling contamination remains high (56%). (Ongoing costs: $131,095)

12. Former Fire Training Center PFAS Investigation and Cleanup		**130,000**	**130,000**

Environmental and Utility Services CSA
Utility Regulatory Advocacy and Compliance Core Service
Regulatory Compliance Program

This action adds $130,000 one-time non-personal/equipment funding in the General Fund to continue monitoring and investigating Per- and Polyfluoroalkyl Substances (PFAS) contamination at the former Fire Training Center, including potential impacts to Los Gatos Creek. PFAS from firefighting foam has been identified in soil and groundwater at the site. The funding supports additional well installation, investigation of impacts to stormwater systems and nearby waterways, and mitigation activities such as cleaning PFAS-containing sediments from storm drain inlets and maintaining on-site treatment equipment. This funding supplements $145,000 in one-time funding and $90,000 in ongoing funding previously allocated for on-site assessment, including soil and groundwater sampling, testing of off-site monitoring wells, sampling of Los Gatos Creek, and regulatory oversight. The work is required by the San Francisco Bay Regional Water Quality Control Board. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
13. Solid Waste Tracking and Management Software		**100,000**	**0**

Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Commercial Solid Waste Collection Services and Recycling and Garbage Services Administration Programs

This action adds $100,000 non-personal/equipment funding in the Integrated Waste Management Fund to support the implementation of a Solid Waste Tracking and Management Software system for residential, commercial, and City facility operations. The software implementation began in 2025-2026, funded by a grant. The additional funding will support software customization (one-time $25,000) and subscription and licensing costs (ongoing $75,000). The software will consolidate all data required under Senate Bill 1383, a state law passed to reduce methane emissions by diverting organic waste from landfills, including keeping records related to organics, garbage, and recycling collection; contamination audits; service waivers; inspections and enforcement; education and outreach; and organics procurement. The software ensures the City retains records for five years and can provide documentation to the California Department of Resources Recycling and Recovery (CalRecycle) within ten business days, as required by law. Implementing this system will streamline data collection, reporting, and compliance with the State-required Electronic Annual Report. The system will also provide real-time tracking and integration with the City's Integrated Waste Management Customer Information System. Approval ensures uninterrupted software service, ongoing licensing and technical support, and helps avoid fines of up to $10,000 per violation per day for noncompliance. (Ongoing costs: $75,000)

14. Commercial Public Litter Can Program Vehicle		**100,000**	**0**

Environmental and Utility Services CSA
Recycling & Garbage Services Core Service
Commercial Solid Waste Collection Services Program

This action adds $100,000 in one-time non-personal/equipment funding in the Integrated Waste Management Fund to purchase a truck with a lift gate for the Public Litter Can (PLC) program. The two-person team helps to keep city streets and neighborhoods clean by maintaining 1,338 PLC units located throughout San José and installing new units near litter-generating commercial businesses. The team spends about 90% of its time in the field, performing PLC maintenance and installation and responding to emergency calls related to damaged units. With only one assigned vehicle, both staff members must travel together, limiting flexibility. When the vehicle is unavailable, the team must rely on short-term rental trucks, which lack proper outfitting and limit the team's ability to respond effectively to maintenance needs, new installations, and emergency service requests. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
15. Outreach for Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		**50,000**	**0**

Environmental and Utility Services CSA
Stormwater Management Core Service
Stormwater Policy and Compliance Program

This request adds $50,000 one-time non-personal/equipment funding in the Storm Sewer Operating Fund for outreach to support an enhanced street sweeping pilot in high trash-generating areas identified through the City's On-Land Visual Trash Assessment (OVTA) Program. The City currently identified 28 locations across the City as poor-performing OVTA sites, including sites that are on street sweeping routes that do not have posted "No Parking" signs. Outreach will promote behavior change, increase awareness of City trash-related services, and encourage participation in programs such as Adopt-a-Storm Drain. Tactics will include door hangers, letters to property owners, public surveys, and leveraging City enforcement teams to address chronic trash issues. The Environmental Services Department will also coordinate with the Housing and Parks, Recreation, and Neighborhood Services Departments to provide services for individuals living in inoperable vehicles. These efforts support the City's requirement to achieve 100% trash load reduction under the Stormwater NPDES Permit. In 2024-2025, the OVTA program contributed 19.9% of the City's measured trash reduction. The pilot will allow the City to evaluate the effectiveness of combining targeted outreach with enhanced sweeping and inform future program improvements. This work will be funded using settlement funds received in the Storm Sewer Operating Fund. Elsewhere in the budget, $291,400 for equipment and overtime needed by field staff to implement the pilot is recommended in the Department of Transportation. (Ongoing costs: $0)

16. Environmental Health and Safety Team Staffing	**0.00**	**38,798**	**777**

Environmental and Utility Services CSA
Strategic Support – Environmental & Utility Services Core Service
Environmental Services Human Resources Program

This action continues and makes permanent 1.0 Environmental Services Specialist (ESS) position and deletes 1.0 Staff Specialist position on the Environmental Health & Safety (EHS) team and funded by the General Fund and Utility Funds. Safety remains a priority following several serious incidents in recent years, including a fatality, chemical spill, and aerosol flash fire at the San José-Santa Clara Regional Wastewater Facility. The Department previously added temporary contracted safety support to strengthen policies and procedures, but that contract expires in August 2026, creating the need for permanent internal capacity. Department operations involve numerous instruments, equipment, confined spaces, and field environments across facilities and inspection sites in San José, resulting in many tasks that require job hazard analyses and, at times, reporting to the Occupational Safety and Health Administration. The Staff Specialist position has been vacant since August 17, 2025, and the responsibilities have ceased or been reassigned. Since adding the temporary ESS, the role has strengthened the department's safety program by monitoring field hazards, implementing safety policies, coordinating safety training, assisting with incident investigations and workers' compensation reviews, conducting job hazard analyses, and improving safety communication and engagement across operational teams. (Ongoing costs: $37,402)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
17. Vehicle Operations and Maintenance (Fleet Staffing)		**36,000**	**0**

Environmental and Utility Services CSA
Potable Water Delivery Core Service
Municipal Water System Operations and Maintenance Program
Recycling & Garbage Services Core Service
Commercial Solid Waste Collection Services
Stormwater Management Core Service
Stormwater Enforcement Program
Wastewater Management Core Service
San José-Santa Clara Treatment Plant Operations and Maintenance Program

This action adds non-personal/equipment funding of $36,000 in the Integrated Waste Management Fund ($1,000), Storm Sewer Operating Fund ($2,000), San José-Santa Clara Treatment Plant Operating Fund ($26,000), and Water Utility Fund ($7,000) for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. Environmental Services proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $43,000)

2026-2027 Proposed Budget Changes Total	**3.00**	**7,036,712**	**350,777**

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Potable Water Delivery

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of Potable Water customer service requests handled within 24 hours	N/A[1]	71%	70%	N/A[1]
★★★ *PM 2*	% of Municipal Water System customers rating service as good or excellent, based on reliability, water quality, and responsiveness	N/A[1]	65%	61%	N/A[1]
PM 3	Average per capita residential water use per day (in gallons) among Municipal Water System customers	54	51	53	51
PM 4	Average cost per gallon of potable water	N/A[2]	<$0.015	$0.015	$0.016
PM 5	Average cost savings per gallon of potable water compared to other San José water retailers[3]	8%	10%	10%	10%

1 This performance measure is derived from the Environmental Services Biennial Customer Survey, which was last conducted in January 2026. Survey results are included as part of the 2025-2026 Estimate. 2024-2025 is an off-year so Actuals for 2024-2025 are not available. The next survey will be conducted in January 2028 and a target will be established in the 2027-2028 Proposed Budget.

2 New performance measure starting in 2025-2026.

3 This performance measure represents estimated savings. The figures reflect the average savings for residents compared to the weighted average of other local retailers.

Environmental Services Department

Performance Summary

Potable Water Delivery

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of water quality samples taken within the Municipal Water distribution system to ensure that drinking water is safe to drink	7,946	7,946	8,213	8,480

Data Sources: Potable Water Delivery

Number	Data Source
PM 1	Environmental Services Biennial Customer Survey, last conducted in 2023-2024
PM 2	Environmental Services Biennial Customer Survey, last conducted in 2023-2024
PM 3	State Water Resources Control Board Division of Drinking Water Electronic Annual Report
PM 4	Municipal Water System Rate Memorandum, City Council Agenda 6/4/24, Item 6.4
PM 5	Municipal Water System Rate Memorandum, City Council Agenda 6/4/24, Item 6.4
AWH 1	Internal laboratory sampling data

Environmental Services Department

Performance Summary

Recycled Water Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★ *PM 1*	% of recycled water customers rating service as good or excellent based on reliability, water quality, and responsiveness	N/A[1]	90%	79%	N/A[1]
PM 2	Average percentage of Regional Wastewater Facility discharge diverted to South Bay Water Recycling	12.1%	13.0%	11.1%	11.7%
PM 3	Average millions of gallons per day of recycled water delivered by South Bay Water Recycling	11.8	13.0	11.1	11.1

[1] This performance measure is derived from the Environmental Services Biennial Customer Survey, which was last conducted in January 2026. Survey results are included as part of the 2025-2026 Estimate. 2024-2025 is an off-year so Actuals for 2024-2025 are not available. The next survey will be conducted in January 2028 and a target will be established in the 2027-2028 Proposed Budget.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Millions of gallons of recycled water delivered to customers annually	4,314	4,700	4,055	4,055
AWH 2	# of recycled water site supervisors trained annually	91	90	110	94

Data Sources: Recycled Water Management

Number	Data Source
PM 1	Environmental Services Biennial Customer Survey, last conducted in 2023-2024
PM 2	Regional Wastewater Facility flow data
PM 3	Transmission Pump Station (SBWR) flow data
AWH 1	Transmission Pump Station (SBWR) flow data
AWH 2	Employee training rosters and tracking data

Performance Summary

Recycling and Garbage Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★ *PM 1*	% of customers rating recycling and garbage services as good or excellent[1]				
	- Single-Family Dwelling	N/A[1]	90%	77%	N/A[1]
	- Multi-Family Dwelling	N/A[1]	75%	63%	N/A[1]
	- Commercial Facilities	N/A[1]	75%	77%	N/A[1]
PM 2	% of recycling that is not contaminated and eligible to be recycled[2]	59%	65%	59%	65%
PM 3	% of residential household collections missed each week	0.05%	≤0.1%	0.06%	≤0.1%

[1] This performance measure is derived from the Environmental Services Biennial Customer Survey, which was last conducted in January 2026. Survey results are included as part of the 2025-2026 Estimate. 2024-2025 is an off-year so Actuals for 2024-2025 are not available. The next survey will be conducted in January 2028 and a target will be established in the 2027-2028 Proposed Budget.

[2] This Performance measure is derived from the biennial Single-Family Curbside Recycling Characterization Study, which was last conducted in 2024. Study results are reflected in the 2024-2025 Actual. As this contamination rate is applied to two years of contractor compensation, the 2024-2025 Actual is restated as the 2025-2026 Estimate. The next study will be conducted in fall 2026, and results will be reflected in the 2027-2028 Proposed Budget.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of household hazardous waste disposal appointments available for San José:				
	- Residents	24,363	24,200	28,000	29,000
	- Small Businesses	172[1]	221[1]	161[2]	166[2]
AWH 2	# of residential households served	338,525	342,548	339,869	342,821
AWH 3	Tons of items collected through the Junk Pickup Program[3]	8,792	6,922	9,502	9,977

[1] Since 2019-2020, the County no longer reports city of origin for Small Business appointments. It's assumed half of these type of appointments are from San Jose.

[2] The small business program is an independently County-run program with little influence on participation from the City.

[3] Results were calculated using only data from single-family residences. Starting in 2025-2026, multi-family residences have been included in this measure.

Recycling and Garbage Services

Data Sources: Recycling and Garbage Services

Number	Data Source
PM 1	Environmental Services Biennial Customer Survey, last conducted in 2023-2024
PM 2	2024 Single-Family Curbside Recycling Characterization Study, a biennial study conducted by a consultant
PM 3	Residential Solid Waste Monthly Hauler Reports
AWH 1	Santa Clara County Household Hazardous Waste Program data
AWH 2	Residential Solid Waste Monthly Hauler Reports
AWH 3	Residential Solid Waste Haulers (California Waste Solutions & GreenTeam)

Environmental Services Department

Performance Summary

Stormwater Management

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% reduction in citywide trash load from stormwater system and waterways[1]	123%	100%	100%	100%
	*PM 2*	% of stormwater treatment measure program sites inspected	24%	20%[2]	22%	20%[2]

[1] Results of 100% or greater include the amount of credit given for implementing control actions.

[2] 20% inspection of the City's stormwater treatment measures inventory is required for 100% compliance with the NPDES stormwater permit requirements.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of environmental enforcement inspections completed at Commercial, Industrial, stormwater treatment measures, private land drainage areas, Construction facilities, and illicit discharges[1]	6,648	6,191	6,160	6,364
AWH 2	# of violations issued to commercial, industrial, stormwater treatment measures, private land drainage areas, construction sites, and illicit dischargers[1]	1,575	1,659	1,711	1,797
AWH 3	# of responses to illicit discharges[1]	317	302	317	317

[1] An illicit discharge is any substance other than stormwater that enters the storm sewer system. Examples include sewage, motor vehicle fluids, paint, and hazardous waste.

Data Sources: Stormwater Management

Number	Data Source
PM 1	C10 Trash Load Reduction Projections Tracker
PM 2	Environmental Enforcement Data Management System
AWH 1	Environmental Enforcement Data Management System
AWH 2	Environmental Enforcement Data Management System
AWH 3	Environmental Enforcement Data Management System

Environmental Services Department

Performance Summary

Utility Regulatory Advocacy and Compliance

Performance Measures

		2024-2024 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of time pollutant discharge requirements for wastewater National Pollutant Discharge Elimination System (NPDES) permit are met or surpassed	100%	100%	100%	100%
PM 2	% of time air pollutant requirements for the SJ-SC Regional Wastewater Facility are met or surpassed	100%	100%	100%	100%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of SJ-SC Regional Wastewater Facility Air Permit Violations Issued due to exceedance of allowable air emissions[1]	0	0	0	0
AWH 2	# of SJ-SC Regional Wastewater Facility National Pollutant Discharge Elimination System (NPDES) Permit Violations Issued due to exceedance of allowable discharges[1]	0	0	0	0

[1] Target is zero violations.

Data Sources: Utility Regulatory Advocacy and Compliance

Number	Data Source
PM 1	Internal laboratory sampling data
PM 2	Internal laboratory sampling data
AWH 1	State-mandated Self-Monitoring Report
AWH 2	State-mandated Self-Monitoring Report

Environmental Services Department

Performance Summary

Wastewater Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of SJ-SC Regional Wastewater Facility power needs generated on site	86%	82%	90%	91%
PM 2	% of corrective work orders completed on time	58%	65%	58%	60%
PM 3	% of preventive maintenance work orders completed on time	65%	68%	61%	68%
PM 4	% of industrial facilities in compliance with Federal pretreatment requirements	95%	90%	91%	90%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total population in service area	1,371,008	1,316,343	1,370,915	1,367,942
AWH 2	# of kilowatt hours generated on site	84,553,907	88,000,000	85,000,000	87,000,000
AWH 3	Fats, Oils, and Grease:				
	- # of inspections conducted	1,605	1,403	1,662	1,600
	- # of Violations issued	326	360	353	326
AWH 4	Pre-Treatment:				
	- # of inspections conducted	405	420	434	405
	- # of violations issued	105	156	85[1]	105

[1] Estimate reflects improved industrial user compliance and increased stability of City enforcement staff.

Data Sources: Wastewater Management

Number	Data Source
PM 1	Regional Wastewater Facility Process Control System data and PG&E data
PM 2	Computerized Maintenance Management Systems Database
PM 3	Computerized Maintenance Management Systems Database
PM 4	Pretreatment Compliance Reports
AWH 1	State of California Department of Finance, Population and Housing Estimates
AWH 2	Regional Wastewater Facility Process Control System data
AWH 3	Environmental Enforcement Data Management System
AWH 4	Environmental Enforcement Data Management System

Environmental Services Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	2.00	2.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	3.00	3.00	-
Analyst I/II	16.00	16.00	-
Assistant Director	1.00	1.00	-
Assistant Environmental Services Specialist	3.00	3.00	-
Assistant Heavy Diesel Equipment Operator Mechanic	1.00	1.00	-
Associate Construction Inspector	1.00	1.00	-
Associate Engineer	22.00	22.00	-
Associate Engineering Technician	6.00	6.00	-
Associate Environmental Services Specialist	11.00	11.00	-
Automation Engineer I/II/III	3.00	3.00	-
Automation Engineer Supervisor	1.00	1.00	-
Biologist	2.00	2.00	-
Chemist	17.00	17.00	-
Chief Plant Operator	1.00	1.00	-
Chief Water Systems Operator	1.00	1.00	-
Community Activity Specialist	0.00	1.00	1.00
Community Activity Worker PT	2.00	2.00	-
Cross Connection Specialist	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	5.00	5.00	-
Director Environmental Services	1.00	1.00	-
Division Manager	5.00	5.00	-
Engineer I/II	8.00	8.00	-
Engineering Technician I/II	1.00	1.00	-
Environmental Compliance Officer	1.00	1.00	-
Environmental Inspector I/II	39.00	39.00	-
Environmental Inspector, Assistant	5.00	5.00	-
Environmental Inspector, Senior	7.00	7.00	-
Environmental Laboratory Supervisor	5.00	5.00	-
Environmental Program Manager, Senior	8.00	8.00	-
Environmental Services Program Manager	7.00	7.00	-
Environmental Services Specialist	28.00	31.00	3.00
Gardener	1.00	1.00	-
Geographic Information Systems Specialist I/II	2.00	2.00	-
Heavy Equipment Operator	6.00	6.00	-
Industrial Electrician	11.00	11.00	-
Industrial Electrician Supervisor	1.00	1.00	-
Information Systems Analyst	5.00	5.00	-

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Instrument Control Supervisor I/II	1.00	1.00	-
Instrument Control Technician I/II/III/IV	13.00	13.00	-
Maintenance Assistant/Maintenance Worker I	3.00	3.00	-
Maintenance Worker II	2.00	2.00	-
Microbiologist	5.00	5.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	3.00	3.00	-
Office Specialist I/II	3.00	3.00	-
Painter Supervisor Water Pollution Control	1.00	1.00	-
Painter Water Pollution Control	6.00	6.00	-
Planner I/II/III	1.00	1.00	-
Principal Accountant	1.00	1.00	-
Principal Construction Inspector	1.00	1.00	-
Principal Engineer/Architect	1.00	1.00	-
Principal Engineering Technician	1.00	1.00	-
Principal Office Specialist	4.00	4.00	-
Program Manager	4.00	4.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	7.00	7.00	-
Regional Wastewater Facility General Manager	1.00	1.00	-
Sanitary Engineer	9.00	9.00	-
Senior Account Clerk	5.00	5.00	-
Senior Accountant	5.00	5.00	-
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Analyst	6.00	6.00	-
Senior Automation Engineer I/II	3.00	3.00	-
Senior Construction Inspector	1.00	1.00	-
Senior Engineer	3.00	3.00	-
Senior Engineering Technician	9.00	9.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	1.00	1.00	-
Senior Industrial Electrician	2.00	2.00	-
Senior Maintenance Worker	2.00	2.00	-
Senior Office Specialist	10.00	10.00	-
Senior Painter	1.00	1.00	-
Senior Public Information Representative	3.00	3.00	-
Senior Systems Applications Programmer	1.00	1.00	-
Senior Warehouse Worker	1.00	1.00	-
Staff Specialist	11.00	10.00	(1.00)
Supervising Environmental Services Specialist	17.00	17.00	-
Supply Clerk	1.00	1.00	-
Systems Applications Programmer I/II	2.00	2.00	-

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I/II	3.00	3.00	-
Wastewater Attendant	16.00	16.00	-
Wastewater Facility Manager	1.00	1.00	-
Wastewater Facility Principal Engineer	8.00	8.00	-
Wastewater Facility Senior Engineer	8.00	8.00	-
Wastewater Maintenance Superintendent	4.00	4.00	-
Wastewater Mechanic I/II	31.00	31.00	-
Wastewater Mechanical Supervisor I/II	6.00	6.00	-
Wastewater Operations Foreperson I/II	21.00	21.00	-
Wastewater Operations Superintendent I/II	6.00	6.00	-
Wastewater Operator I/II/III	42.00	42.00	-
Wastewater Senior Mechanic I/II	11.00	11.00	-
Water Systems Assistant Operator I/II	5.00	5.00	-
Water Systems Operations Foreperson I/II	3.00	3.00	-
Water Systems Operations Manager	1.00	1.00	-
Water Systems Operations Superintendent I/II	2.00	2.00	-
Water Systems Operator I/II/III	12.00	12.00	-
Total Positions	**582.00**	**585.00**	**3.00**

Finance Department

Maria Öberg, Director

MISSION

To manage, protect, and report on City of San José financial resources to enhance the City's financial condition for residents, businesses, and investors

CITY SERVICE AREA

Strategic Support

CORE SERVICES

DISBURSEMENTS

Facilitate timely and accurate payment of the City's financial obligations.

FINANCIAL REPORTING

Provide accurate and meaningful reporting on the City's financial condition.

PURCHASING AND RISK MANAGEMENT

Purchase and provide quality products and services in a cost-effective manner and ensure insurance coverage for the City's assets.

REVENUE MANAGEMENT

Bill and collect City resources to enhance the City's financial condition.

DEBT AND TREASURY MANAGEMENT

Provide cost-effective financing, investment, and cash collection of the City's resources to maintain and enhance the City's financial condition.

Strategic Support: Analytical Support, Budget/Fiscal Management, Human Resources Management, Contract Administration, Administrative Support, and Emergency Response and Recovery

Finance Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Disbursements Core Service	
Accounts Payable	Facilitates timely and accurate payment of the City's non-payroll disbursements. Customers of this service include City departments, employees, government agencies, non-profit corporations, consultants, contractors, and vendors who provide goods and services to the City.
Payroll	Facilitates timely and accurate payment of payroll to City employees and provides responses to information requests City-wide. The City has employees divided among many different bargaining units with various compensation requirements contained in each respective unit's Memoranda of Agreement.
Financial Reporting Core Service	
General Accounting	Provides accurate and meaningful reporting on the City's financial condition and primarily responsible for the accounting of City-wide financial activity for all City funds, with services including management of the Financial Management System, preparation of the Annual Comprehensive Financial Report, preparation of various Cost Allocation Plans, capital assets accounting, monthly financial information publications, City-wide reports for audit purposes, and coordination of stand-alone audits.
Special Accounting	Manages accounting responsibilities related to special facility districts, grant programs, assessment districts, loans, debt transactions, bank reconciliations, investments, and deferred compensation; and prepares and submits legally mandated reports including the City's Federal Single Audit Report.
Purchasing and Risk Management Core Service	
Purchasing	Following transparent and competitive procurement procedures, supports the operations of all City departments by ensuring the timely procurement and delivery of products and services other than construction and consulting services. Establishes City-wide procurement policies and procedures and provides City-wide training and guidance to departments to enable them to facilitate procurements that are decentralized. Manages the P-Card program to enable the procurement of small dollar purchase transactions.
Risk Management	Ensures insurance coverage for City assets, establishes City-wide risk management policies and procedures, and provides City-wide training and guidance to departments on risk-related programs. Manages property and casualty claims from inception to conclusion and performs the centralized subrogation function to recapture losses resulting from third-party wrongdoing or negligence resulting in loss of or damage to City-owned property.

Service Delivery Framework

PROGRAM	DESCRIPTION
Revenue Management Core Service	
Accounts Receivable	Develops, maintains, and updates business systems and processes to support the delivery of City services through timely collection of payments due to the City, including services, taxes, fees, and other revenues.
Business Tax	Enforces the general business tax ordinance by ensuring that taxes and related fees are collected. Issues business tax certificates and processes applications for the following regulatory permits: amusement devices, carnivals/circuses, Christmas tree lots, flower vendors, handbills, pawnbrokers, pool and billiard rooms, pumpkin patches, and second-hand dealers.
Revenue Audit and Compliance	Monitors and conducts compliance reviews of various tax and fee programs related to the following: Transient Occupancy Tax, Convention Center Facility District Tax, Hotel Business Improvement District Fees, Utility Users Tax, Franchise Fees, Telephone Line Tax, Tow agreements, Solid Waste Enforcement Fees, Disposal Facility Tax, Cardroom Tax, Marijuana Business Tax, and Sales and Use Taxes.
Utility Billing System	Develops and streamlines business systems and processes that support the delivery of City services through timely billing and collection of storm, sewer, garbage, and water fees. This program provides billing and customer support related to storm and sanitary sewer charges, garbage, water, and associated liens.
Debt and Treasury Management Core Service	
Banking Management	Manages the City's centralized banking relationships and cash operations for multiple programs throughout the City. Oversees payments of various tender types processed on multiple billing systems, including Building Permits, Business Taxes, Utility Billing, Airport Fees, and Fire Citations.
Cashiering and Payment Processing	Manages over-the-counter payments made for various programs, including Business Tax, Transient Occupancy Tax and Hotel Business Improvement District, Utility Billing, Airport, and Utility Users Tax.
Debt Management	Responsible for City debt issuance, credit facilities, and other borrowing, debt management projects, and debt administration activities, including performing compliance activity related to statutory, regulatory, and contractual requirements for 90 different obligations, including bonds, commercial paper, credit facilities, a lease-purchase agreement, and conduit bonds for affordable housing projects. Finances the construction of new facilities and improvements to existing City facilities through various bond measures and other financing tools. Public infrastructure and affordable housing are also facilitated through special taxes and various types of bonds.
Investment Management	Manages the City's cash flow and invests the City's operating funds in accordance with the Investment Policy mandates of safety, liquidity, and yield. Responsible for cash flow forecasts, portfolio management, Investment Policy updates and compliance, interest earnings forecasts, and related reporting. Performs counterparty credit risk analysis of the City clean energy program.

Service Delivery Framework

PROGRAM	DESCRIPTION
Strategic Support Core Service	
Finance Management and Administration	Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support.
Finance Successor Agency to the Redevelopment Agency Administration	Supports the general winding down of the former Redevelopment Agency in an orderly manner, pursuant to AB X1 26. Responsibilities include all aspects of the financial management of the San José Successor Agency to the Redevelopment Agency, such as accounts payable, accounts receivable, debt management, investments, cash management, financial reporting, and preparation of Recognized Obligation Payments Schedule (ROPS).
Finance Emergency Response and Recovery	Provides for the coordination and delivery of emergency financial services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Ensure City financial resources are protected and available to address the short-term and long-term needs of the community, provide accurate and timely payments to City employees and vendors, deliver accurate and timely financial reports, and maintain efficient business systems and processes for timely billing and collection efforts.
- Ensure prudent use of public funds through competitive processes and cooperative purchasing with other government agencies and cooperative purchasing organizations.
- Maintain favorable bond ratings to ensure lowest cost of capital, provide financial modeling and analysis to meet the increasingly complex needs of the City, and ensure effective management of the City investment portfolio.
- Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the best value and coverage economically possible.
- Refine the subrogation recovery process to generate additional annual revenue of $500,00 by formalizing claim intakes, better leveraging existing systems, and proactively identifying unsubmitted cases.

2026-2027 Key Budget Actions

- Repurposes savings from the Business Tax Software Implementation project to support key one-time projects that enhance City-Wide financial systems which include: City-Wide Grants Management Software ($500,000), Financial Management System Upgrade ($134,000), and Cashiering and Payment Processing Application Migration ($100,000).
- Adds 1.0 Investigator Collector I/II position in the Revenue Management Division to support the Business Tax unit with the collection of delinquent business tax payments, generating additional annual revenues of over $550,000, and to support the additional Business Improvement Districts expected in 2026-2027.
- Adds one-time non-personal/equipment funding of $100,000 to migrate the cashiering and payment processing application from an on-premise to cloud-based solution.
- Eliminates 1.0 vacant Staff Specialist position that previously supported administrative activities that have since been redistributed amongst remaining personnel.

Operating Funds Managed

- Cash Reserve Fund
- City Hall Debt Service Fund
- Convention Center Facilities District Revenue Fund
- Emergency Reserve Fund
- Gift Trust Fund
- Ice Centre Revenue Fund

Finance Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Debt and Treasury Management	6,931,838	6,303,591	8,687,769	8,649,175
Disbursements	3,668,600	3,511,266	3,445,976	3,445,976
Financial Reporting	3,665,203	3,836,953	3,897,123	4,031,123
Purchasing and Risk Management	7,226,733	8,040,501	8,320,580	8,320,580
Revenue Management	10,448,033	10,451,237	9,244,113	9,293,911
Strategic Support - Other - Strategic Support	43,228,375	51,512,543	51,926,816	51,896,892
Strategic Support - Strategic Support	2,736,785	3,160,734	3,218,585	3,575,026
Total	**$77,905,567**	**$86,816,825**	**$88,740,962**	**$89,212,683**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	24,954,356	25,342,696	25,732,138	25,467,833
Overtime	21,820	54,526	55,873	55,873
Subtotal Personal Services	$24,976,176	$25,397,222	$25,788,011	$25,523,706
Non-Personal/Equipment	1,389,512	1,810,242	1,432,127	2,064,077
Total Personal Services & Non-Personal/Equipment	**$26,365,688**	**$27,207,464**	**$27,220,138**	**$27,587,783**
Other Costs *				
City-Wide Expenses	6,871,334	11,838,130	10,304,320	10,438,320
Debt Service/Financing	44,042,134	45,045,800	48,430,800	48,430,800
Housing Loans and Grants	0	0	0	0
Other	599,665	2,178,633	2,306,632	2,306,632
Other - Capital	0	0	0	0
Overhead Costs	26,746	546,798	479,072	449,148
Total Other Costs	**$51,539,879**	**$59,609,361**	**$61,520,824**	**$61,624,900**
Total	**$77,905,567**	**$86,816,825**	**$88,740,962**	**$89,212,683**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	31,356,624	37,099,415	35,467,878	36,108,116
Building Development Fee Program Fund (237)	85,511	93,238	98,899	98,899
City Hall Debt Service Fund (210)	25,046,126	25,205,000	24,910,000	24,910,000
Convention and Cultural Affairs Fund (536)	0	505,000	450,000	450,000
Convention Center Facilities District Revenue Fund (791)	10,599,958	10,862,000	14,624,000	14,624,000
Emergency Reserve Fund (406)	182,823	500,000	500,000	500,000
Fire Development Fee Program Fund (240)	7,642	8,319	8,856	8,856
Ice Centre Revenue Fund (432)	7,539,554	8,171,745	8,170,744	8,170,744
Integrated Waste Management Fund (423)	865,802	1,081,823	1,171,364	1,070,507
Low and Moderate Income Housing Asset Fund (346)	92,411	100,355	112,656	112,656
Planning Development Fee Program Fund (238)	31,043	33,808	35,966	35,966
Public Works Development Fee Program Fund (241)	18,744	20,448	21,476	21,476
Public Works Program Support Fund (150)	16,516	20,000	20,000	20,000
Real Property Transfer Tax Fund (404)	321,298	315,353	333,736	333,736
San José Clean Energy Operating Fund (501)	278,871	330,162	332,349	332,349
San José-Santa Clara Treatment Plant Operating Fund (513)	155,456	189,465	174,571	174,571
Sewer Service and Use Charge Fund (541)	325,411	1,046,929	1,038,931	1,038,931
Storm Sewer Operating Fund (446)	104,649	234,437	231,342	231,342
Water Utility Fund (515)	835,969	973,793	1,007,402	939,742
Capital Funds	41,159	25,535	30,792	30,792
Total	**$77,905,567**	**$86,816,825**	**$88,740,962**	**$89,212,683**
Positions by Core Service **				
Debt and Treasury Management	22.56	22.56	22.56	21.56
Disbursements	16.36	16.36	16.36	16.36
Financial Reporting	17.41	17.41	17.41	17.41
Purchasing and Risk Management	23.00	23.00	23.00	23.00
Revenue Management	37.66	37.66	37.66	37.66
Strategic Support - Strategic Support	13.67	10.67	10.67	9.67
Total	**130.66**	**127.66**	**127.66**	**125.66**

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*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Finance Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Debt and Treasury Management					
Banking Management	1,139,372	1,319,767	1,424,487	1,524,487	1.00
Cashiering and Payment Processing	1,632,630	1,298,989	1,412,152	1,273,558	8.10
Debt Management	2,835,689	2,293,234	4,484,432	4,484,432	7.15
Investment Management	1,324,147	1,391,601	1,366,698	1,366,698	5.31
Sub-Total	**6,931,838**	**6,303,591**	**8,687,769**	**8,649,175**	**21.56**
Disbursements					
Accounts Payable	1,484,829	1,412,757	1,331,737	1,331,737	6.76
Payroll	2,183,771	2,098,509	2,114,239	2,114,239	9.60
Sub-Total	**3,668,600**	**3,511,266**	**3,445,976**	**3,445,976**	**16.36**
Financial Reporting					
General Accounting	2,536,565	2,575,794	2,612,584	2,746,584	11.45
Special Accounting	1,128,638	1,261,159	1,284,539	1,284,539	5.96
Sub-Total	**3,665,203**	**3,836,953**	**3,897,123**	**4,031,123**	**17.41**
Purchasing and Risk Management					
Purchasing	4,108,630	3,889,134	3,911,117	3,911,117	18.80
Risk Management	3,118,103	4,151,367	4,409,463	4,409,463	4.20
Sub-Total	**7,226,733**	**8,040,501**	**8,320,580**	**8,320,580**	**23.00**
Revenue Management					
Accounts Receivable	1,805,554	2,279,332	2,330,953	2,380,953	7.70
Business Tax	2,554,386	3,980,526	2,701,766	2,840,157	13.30
Revenue Audit and Compliance	1,821,503	2,366,301	2,387,418	2,387,418	8.36

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Utility Billing System	4,266,590	1,825,078	1,823,976	1,685,383	8.30
Sub-Total	**10,448,033**	**10,451,237**	**9,244,113**	**9,293,911**	**37.66**
Strategic Support - Other - Strategic Support					
Finance Funds Debt/Financing Costs	10,599,958	45,045,800	46,069,800	46,069,800	0.00
Finance Other Departmental - City-Wide	24,275	5,800,000	5,255,000	5,255,000	0.00
Finance Other Operational - Administration	122,577	119,945	122,944	122,944	0.00
Finance Overhead	18,777	546,798	479,072	449,148	0.00
Finance Transfers	32,462,788	0	0	0	0.00
Sub-Total	**43,228,375**	**51,512,543**	**51,926,816**	**51,896,892**	**0.00**
Strategic Support - Strategic Support					
Finance Emergency Response and Recovery	985,722	871,394	878,847	878,847	1.50
Finance Management and Administration	1,684,938	2,289,340	2,339,738	2,696,179	8.17
Finance Successor Agency to the Redevelopment Agency Administration	66,125	0	0	0	0.00
Sub-Total	**2,736,785**	**3,160,734**	**3,218,585**	**3,575,026**	**9.67**
Total	**$77,905,567**	**$86,816,825**	**$88,740,962**	**$89,212,683**	**125.66**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Finance Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**127.66**	**27,207,464**	**24,334,285**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(316,000)	(316,000)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(316,000)**	**(316,000)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: -1.0 Analyst I/II to 1.0 Accountant I/II		389,442	357,041
• Overtime Adjustment		1,347	1,347
• Contract Services: Oracle Support Savings		(62,115)	(62,115)
Technical Adjustments Subtotal:	**0.00**	**328,674**	**296,273**
2026-2027 Forecast Base Budget:	**127.66**	**27,220,138**	**24,314,558**
Budget Proposals Recommended			
1. City-Wide Grants Management Software		500,000	500,000
2. Business Tax Collections	1.00	138,391	138,391
3. Cashiering and Payment Processing Application Migration		100,000	100,000
4. Accounts Receivable Amnesty Program		50,000	50,000
5. Finance Administration Staffing	(1.00)	(143,559)	(143,559)
6. Payment Processing Staffing	(1.00)	(138,594)	(138,594)
7. Utility Billing Staffing	(1.00)	(138,593)	0
Total Budget Proposals Recommended	**(2.00)**	**367,645**	**506,238**
2026-2027 Proposed Budget Total	**125.66**	**27,587,783**	**24,820,796**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. City-Wide Grants Management Software		**500,000**	**500,000**

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Finance Management and Administration Program

This action adds non-personal/equipment funding of $500,000, of which $143,000 is ongoing, to replace the city-wide grants management platform. This funding will support the replacement of the existing grants system that was added in 2008 and has limited functionality for tracking grants in multiple departments and the inability to meet current compliance standards, with the current contract set to expire by spring 2027. The new software will provide a centralized city-wide platform that meets compliance standards and will track the lifetime of grants provided by the City, such as the Ending Homelessness grant to the County of Santa Clara, BeautifySJ grants, and grants associated with the Workforce Innovation and Opportunity Acts. A portion of the $3.1 million savings from the Business Tax System Replacement project will be used to offset the cost of this project, with savings achieved as the project was built in-house and came in lower than anticipated. Ongoing funding of $143,000 is needed to support annual subscription and support costs. (Ongoing costs: $143,000)

2. Business Tax Collections	**1.00**	**138,391**	**138,391**

Strategic Support CSA
Revenue Management Core Service
Business Tax Program

This action adds 1.0 Investigator Collector I/II position and one-time non-personal/equipment funding of $1,950 for a computer and peripherals. In 2024-2025, the Business Tax unit received 20,000 incoming phone calls, 15,000 email inquiries, and 7,500 online forms to process. Adding an Investigator Collector position will reduce the current team of four Investigator Collectors' workload, allowing the team to focus more on collection activities, including the $14.5 million in delinquent taxes, through audits and field collections. This position is critical to managing the 3,900 new and ongoing business tax accounts expected to be registered during the 2026 Business Tax Amnesty Program and the increased demand on the Investigator Collectors for delinquent collections of Business Improvement Districts as four more districts will be added. This position will bring in an estimated $551,000 in additional revenue from delinquent accounts, which will more than offset the cost of the position. (Ongoing costs: $164,635)

3. Cashiering and Payment Processing Application Migration		**100,000**	**100,000**

Strategic Support CSA
Debt and Treasury Management Core Service
Banking Management Program

This action adds one-time non-personal/equipment funding of $100,000 to migrate the cashiering and payment processing application from an on-premise to cloud-based solution. The system is used to track and record incoming payments for various programs, such as permits, utilities, and taxes. This will offer a high level of security to meet credit card industry standards, ensure the system is consistently up-to-date with the latest version, and reduce the staffing demand in the Information Technology Department needed to support the system. A portion of the $3.1 million savings from the Business Tax System Replacement project will be used to offset the cost of this project, with savings achieved as the project was built in-house and came in lower than anticipated. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Accounts Receivable Amnesty Program		**50,000**	**50,000**

Strategic Support CSA
Revenue Management Core Service
Accounts Receivable Program

This action provides one-time non-personal/equipment funding of $30,000 and one-time personal services funding of $20,000 in the General Fund for costs associated with a multi-year Accounts Receivable Amnesty Program. This program will be administered from April 2027 to September 2027 and allow residents with overdue invoices to bring their accounts current without facing penalties and legal consequences. This program is anticipated to generate an additional $135,000 of General Fund revenue annually for a total of $270,000 over the two-year period. One-time funding is needed for contractual services ($30,000) and temporary staffing to assist with the coordination of outreach and collections efforts ($20,000). (Ongoing costs: $0)

5. Finance Administration Staffing	**(1.00)**	**(143,559)**	**(143,559)**

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Finance Management and Administration Program

This action eliminates 1.0 Staff Specialist position, vacant since March 2025, that provided administrative support to the department. This position previously processed and tracked City Council and Information memorandums, maintained calendars, ordered supplies, entered invoices and requisitions in the Financial Management System, entered facilities workorders, and coordinated training and travel in the department. All duties have been absorbed by existing staff. (Ongoing savings: $146,608)

6. Payment Processing Staffing	**(1.00)**	**(138,594)**	**(138,594)**

Strategic Support CSA
Debt and Treasury Management Core Service
Cashiering and Payment Processing Program

This action eliminates 1.0 vacant Senior Account Clerk position responsible for processing payments. The duties include timely processing of payments, reconciling FMS reports, and corresponding with other departments to determine to which department the payment can be attributed. The Finance Department's new banking services have increased operational efficiency in how the City handles payment processing by resolving payment issues more quickly, thereby reducing the workload of the current staff in the payment processing unit. Furthermore, the Department is exploring the potential to consolidate the various city-wide billing and revenue collection systems into a standardized system, or system upgrades to increase operational efficiency city-wide, thus reducing the overall workload on City staff. (Ongoing savings: $138,594)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Utility Billing Staffing	**(1.00)**	**(138,593)**	**0**

Strategic Support CSA
Revenue Management Core Service
Utility Billing System Program

This action eliminates 1.0 filled Senior Account Clerk position, funded 60% from the Integrated Waste Management Fund and 40% from the Water Utility Fund. A desk audit was recently performed and determined there is an insufficient amount of work to maintain this position due to operational efficiencies and a reassignment of duties. The elimination of this position will not impact any City services. (Ongoing savings: $138,593)

2026-2027 Proposed Budget Changes Total	**(2.00)**	**367,645**	**506,238**

Finance Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Debt and Treasury Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	Average return on investments and Comparison Benchmarks	3.805%	3.900%	3.840%	3.970%
 *PM 1*	- Local Agency Investment Fund (LAIF)	4.580%	N/A[1]	N/A[1]	N/A[1]
	- Bank of America Merrill Lynch (BAML) (existing CS PM)	4.269%	N/A[1]	N/A[1]	N/A[1]

[1] Due to volatility in market conditions, targets and estimates cannot be determined. Bank of America Merrill Lynch (BAML) and Local Agency Investment release these figures on an annual and monthly basis.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total debt portfolio managed	$3.422B	$3.825B	$3.570B	$3.376B
AWH 2	Total of the City's investment portfolio	$2.980B	$2.600B	$3.000B	$3.000B
AWH 3	Total volume and $ amount of revenue posted	315,895 $905.0M	316,213 $946.0M	293,948 $926.0M	308,645 $973.0M

Data Sources: Debt and Treasury Management

Number	Data Source
PM 1	Sympro, Bloomberg Terminal, Internal Tracking
AWH 1	Annual Comprehensive Financial Report, Internal Tracking (excludes conduit debt)
AWH 2	Sympro
AWH 3	Internal Tracking

Finance Department

Performance Summary

Disbursements

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of payroll payments made to employees accurately and timely on a biweekly basis	99%	98%	99%	99%
PM 2	% of disbursements paid to vendors accurately and within 45 days	77.0%	78.6%	85.0%	85.0%
PM 3	Average number of days from invoice date to check issuance based upon date of receipt by the Finance Department	39	34	45	45

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of vendor invoices paid	81,807	273,000[1]	74,000	74,000
AWH 2	# of payroll payments made	196,535	194,000	194,000	192,500

[1] The 2025-2026 Forecast inadvertently included both the payroll disbursements and vendor invoice payments. The measure should reflect only vendor invoice payments.

Data Sources: Disbursements

Number	Data Source
PM 1	Peoplesoft, Internal Tracking
PM 2	Financial Management System, Internal Tracking
PM 3	Financial Management System, Internal Tracking
AWH 1	Financial Management System, Internal Tracking
AWH 2	Peoplesoft, Internal Tracking

Finance Department

Performance Summary

Financial Reporting

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	Received Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award	100%	100%	100%	100%
PM 2	Received unmodified audit opinion on the Annual Comprehensive Finance Report (ACFR)	100%	100%	100%	100%
PM 3	Submission of the bimonthly Financial Report (BFR) accurately and timely	100%	100%	100%	100%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of Bimonthly Financial Reports (BFR) Completed[1]	6	6	6	6

[1] Each report covers a separate accounting period which close on the months of August, October, December, February, April, and June. These reports provide visibility into the financial health and status of key City funds to help decision-makers assess resource availability.

Data Sources: Financial Reporting

Number	Data Source
PM 1	Government Finance Officers Association website, Internal Tracking
PM 2	Financial Management System, Internal Tracking
PM 3	Financial Management System, Internal Tracking
AWH 1	Financial Management System, Internal Tracking

Finance Department

Performance Summary

Purchasing and Risk Management

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of purchase orders to be processed and executed within 90 calendar days of receipt of department request	92%	90%	94%	90%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Total dollar value procured through purchase orders	$346.3M	$316.3M	$372.9M	$384.1M
AWH 2	Total cost savings achieved through the purchase order process	$7.8M	$7.0M	$8.4M	$8.6M
AWH 3	Total # of purchase orders (POs) processed and executed by value:				
	- POs ≤ $10K	440	395	349	349
	- POs > $10K and ≤ $250K	733	763	717	717
	- POs > $250K	286	281	284	284
AWH 4	Total number of contracts processed for insurance clearance	1,985	2,256	1,920	2,100
AWH 5	# of property loss prevention engineering visits	9	12	10	10

Data Sources: Purchasing and Risk Management

Number	Data Source
PM 1	Financial Management System, Internal Tracking
AWH 1	Financial Management System, Internal Tracking
AWH 2	Financial Management System, Internal Tracking
AWH 3	Financial Management System, Internal Tracking
AWH 4	Customer Information System
AWH 5	Internal Tracking

Finance Department

Performance Summary

Revenue Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	Return on Investment (ROI) for Revenue Management delinquent account collections	5.2	5.0	5.0	5.0
PM 2	% of Payments Received within the Fiscal Year Billed	96%	N/A[1]	90%	90%

[1] The 2025-2026 Target was not established because it was a new measure starting in 2026-2027.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
	Revenue Management Aging Receivable Balance for Current Receivables:				
AWH 1	- Current Receivables				
	- 0 - 30 days	9,121,989	9,101,488	9,200,000	9,160,000
	- 31 - 60 days	7,199,216	7,980,307	8,007,000	7,603,000
	- 61 - 90 days	6,125,573	5,955,788	6,229,000	6,177,000
	Revenue Management Aging Receivable Balance for Delinquent Receivables:				
AWH 2	- 91 - 120 days	3,226,838	2,949,988	3,339,000	3,282,000
	- 121 - 365 days	11,476,727	10,775,147	11,118,000	11,297,000
	- 366 - 730 days	16,541,568	14,440,634	16,270,000	16,405,000
	- 731 - 999+ days	20,250,281	17,770,757	20,753,000	20,501,000

Data Sources: Revenue Management

Number	Data Source
PM 1	Public Safety Financial Strategic Support Report
PM 2	Public Safety Financial Strategic Support Report
AWH 1	Public Safety Financial Strategic Support Report
AWH 2	Public Safety Financial Strategic Support Report

Finance Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	16.00	17.00	1.00
Accounting Technician	10.00	10.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	16.00	15.00	(1.00)
Assistant Director	1.00	1.00	-
Buyer I/II/III	6.00	6.00	-
Debt Administrator	1.00	1.00	-
Deputy Director	4.00	4.00	-
Director of Finance	1.00	1.00	-
Financial Analyst	5.00	5.00	-
Hearing Officer U PT	0.66	0.66	-
Investigator Collector I/II	10.00	11.00	1.00
Investment Officer	1.00	1.00	-
Principal Account Clerk	2.00	2.00	-
Principal Accountant	3.00	3.00	-
Principal Office Specialist	1.00	1.00	-
Program Manager	7.00	7.00	-
Risk Manager	1.00	1.00	-
Senior Account Clerk	12.00	10.00	(2.00)
Senior Accountant	7.00	7.00	-
Senior Analyst	10.00	10.00	-
Senior Investigator Collector	2.00	2.00	-
Senior Office Specialist	4.00	4.00	-
Staff Specialist	3.00	2.00	(1.00)
Supervising Accountant	3.00	3.00	-
Total Positions	**127.66**	**125.66**	**(2.00)**

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Fire Department

Robert Sapien, Jr., Fire Chief

MISSION

To serve the community by protecting life, property, and the environment through prevention and response

CITY SERVICE AREA

Community and Economic Development

Public Safety

CORE SERVICES

EMERGENCY RESPONSE

Provide comprehensive life safety services to residents and visitors by responding to emergencies in San José's incorporated and the County of Santa Clara's unincorporated areas, totaling approximately 200 square miles.

FIRE PREVENTION

Educate the community to reduce injuries, loss of life, and property damage from fires and other accidents; investigate fire cause; and provide regulatory enforcement of fire and hazardous materials codes through inspection activities.

FIRE SAFETY CODE COMPLIANCE

Minimize loss of life and property from fires and hazardous materials releases; provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José area, resulting in a fire and chemical-safe environment.

Strategic Support: Administration, Equipment/Facilities, Information Technology, Strategic Planning, Multilingual Services, Safety/Wellness, Training, and Emergency Response and Recovery

Fire Department

Service Delivery Framework

PROGRAM	DESCRIPTION
	Emergency Response Core Service
Fire and Emergency Medical Services Dispatch	Receives calls from 9-1-1 call-takers and other sources, dispatches appropriate resources, triages calls using Medical Priority Dispatch System (MPDS) and Fire Priority Dispatch System (FPDS), relays critical information, provides detailed life safety assistance and instructions to callers (e.g. CPR, childbirth, choking), and provides critical communications support for Incident Commanders.
Fire and Emergency Medical Services Response	Responds to fire, rescue, medical emergencies, and other public assist calls for service; implements appropriate mitigation efforts and incident command system (ICS) scaled to the needs of the emergency.
Fire Stations / Apparatus Operations and Maintenance	Ensures availability of response-ready fire apparatus, tools and equipment, and personal protective equipment (PPE); maintains facilities including fire stations, training facilities, emergency generators, and fueling sites; provides necessary supplies, utilities, furnishings, and fuel.
Fire Sworn Training	Ensures the response-readiness of all sworn fire personnel through comprehensive annual mandated training; provides initial required trainings through Fire Fighter and Fire Engineer Academies.
Special Operations - Airport Rescue and Fire Fighting	Provides dedicated Aircraft Rescue and Fire Fighting (ARFF) certified Fire Captains, Engineers, and Fire Fighters as required by the Federal Aviation Administration at San José Mineta International Airport. (Program costs are offset by a transfer from the Airport.)
Special Operations - Hazardous Incident Team	Provides Hazardous Materials specialist-level trained responders and equipment for response to incidents requiring technical expertise to comply with Title 8 CCR §5192: Hazardous Waste Operations and Emergency Response; reviews and inspects facilities with hazardous materials storage. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)
Special Operations - Urban Search and Rescue	Provides responses to incidents requiring technical expertise including confined space rescue, low/high angle (cliff) rescue, trench rescue, water rescue, structure collapse, and other technical rescue situations. (Majority of the budget and FTE for this program is displayed in Fire and Emergency Medical Services Response Program.)

Fire Department

Service Delivery Framework

PROGRAM	DESCRIPTION
	Fire Prevention Core Service
Fire Cause Investigation	Investigates suspicious fires to determine the origin; collects and processes evidence, develops detailed reports to assist in criminal prosecution, and provides expert testimonies at court trials.
Fire Safety Education, Review, and Inspections	Provides fire safety inspections of permitted occupancies and provides Fire Watch and inspections during special events throughout the City. (Program costs are offset by revenues from the Fire Department Non-Development Fee Program.) Provides public safety information and education to the community through multiple education and awareness programs.
	Fire Safety Code Compliance Core Services
Fire Development Services	Provides the City of San José business community and residents with fire code plan review services before construction and on-site fire code inspections during construction phases to ensure compliance with approved permits. (Program costs are offset by revenues from the Fire Department Development Fee Program.)
	Strategic Support Core Service
Fire Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Fire Information Technology	Provides information technology services, planning, and system development and maintenance for the department in coordination with the Information Technology Department
Fire Management and Administration	Provides executive-level, analytical, and administrative support to the department; manages the budget and all financial transactions for the department.
Fire Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Provide essential emergency services, such as fire suppression, rescue, and emergency medical services, in a timely and effective manner.
- Deliver timely development review and inspection services.
- Provide life safety and fire prevention services to the community.

2026-2027 Key Budget Actions

- Eliminates 14.0 vacant sworn positions (3.0 Fire Captain, 4.0 Fire Engineer, and 7.0 Firefighter positions) by deferring the opening of Fire Station 32 for two years. However, given its importance Fire Station 32 will be reevaluated as part of the 2027-2028 Proposed Budget and be prioritized for activation earlier than 2028-2029 should budgetary conditions improve.
- Adds 1.0 Fire Captain, 1.0 Fire Engineer, and 1.0 Firefighter positions, through June 30, 2027, to support the implementation of a Community Paramedicine Pilot Program funded by the San José Opioid Response Fund. This pilot utilizes specialized EMS teams to reduce non-emergency 9-1-1 calls by providing community-based care and social service navigation for high-utilizer populations.
- Adds 3.0 Fire Fighter positions and eliminates 3.0 Fire Engineer positions to support the conversion of Type 6 wildland engine to a Type 3 engine at Fire Station 24. This staffing model is more cost-efficient while maintaining operational readiness.
- Adds 1.0 Nurse and 1.0 Fire Equipment Technician positions, and eliminates 1.0 vacant Nurse Practitioner position, to optimize the Department's Emergency Medical Services duties, device inventory control, and overall program management.
- Adds 1.0 Program Manager and 1.0 Analyst positions, and eliminates 1.0 Fire Captain position, to enhance administrative functions across the Bureau of Administrative Services and Bureau of Fire Operations.
- Within the General Fund Capital, Transfers, and Reserves section, adds one-time funding of $570,00 for fire station privacy enhancements to complete the installation of privacy walls across legacy fire stations, $475,000 for the replacement and installation of 39 Fire Station Alerting System routers at 37 fire stations, and $350,000 to address higher than anticipated costs for furniture, fixtures, and equipment at the newly expanded 9-1-1 Call Center.
- Adds one-time funding of $315,000 towards the replacement of 130 Electronic Patient Care Reporting (ePCR) tablets and associated components used for patient care reporting and incident coordination, which are reaching the end of their five-year service life.

Operating Funds Managed

- Fire Development Fee Program Fund

Fire Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
City-Wide Emergency Management	8,442	0	0	0
Emergency Response	290,494,791	279,592,725	292,930,383	288,002,740
Fire Prevention	9,050,684	10,029,127	10,379,578	10,416,002
Fire Safety Code Compliance	8,448,944	8,453,273	8,373,990	8,570,028
Strategic Support - Community & Economic Development	775,072	0	0	0
Strategic Support - Other - Community & Economic Development	19,372	0	0	0
Strategic Support - Other - Public Safety	21,130,498	23,973,844	20,532,837	21,938,427
Strategic Support - Public Safety	8,470,218	9,032,363	8,684,176	9,235,162
Total	**$338,398,021**	**$331,081,332**	**$340,900,964**	**$338,162,359**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	267,861,444	280,074,680	294,436,455	290,266,194
Overtime	35,334,962	13,300,974	13,040,282	12,702,282
Subtotal Personal Services	$303,196,406	$293,375,654	$307,476,737	$302,968,476
Non-Personal/Equipment	12,865,005	14,706,996	13,943,717	14,192,081
Total Personal Services & Non-Personal/Equipment	**$316,061,411**	**$308,082,650**	**$321,420,454**	**$317,160,557**
Other Costs *				
City-Wide Expenses	214,839	1,842,650	0	0
General Fund Capital	5,844,795	6,660,000	4,000,000	5,395,000
Gifts	12,990	0	0	0
Housing Loans and Grants	0	0	0	0
Other	2,848	147,259	0	115,702
Other - Capital	1,099	100,000	0	0
Overhead Costs	1,660,222	1,643,773	1,765,510	1,776,100
Workers' Compensation	14,599,817	12,605,000	13,715,000	13,715,000
Total Other Costs	**$22,336,610**	**$22,998,682**	**$19,480,510**	**$21,001,802**
Total	**$338,398,021**	**$331,081,332**	**$340,900,964**	**$338,162,359**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	327,631,985	319,409,323	329,205,687	325,380,454
Fire Development Fee Program Fund (240)	9,224,340	9,804,740	9,846,178	10,052,806
Gift Trust Fund (139)	12,990	0	0	0
San José Opioid Response Fund (130)	30,531	0	0	880,000
Storm Sewer Operating Fund (446)	120,935	175,000	175,000	175,000
Capital Funds	1,377,240	1,692,269	1,674,099	1,674,099
Total	**$338,398,021**	**$331,081,332**	**$340,900,964**	**$338,162,359**
**Positions by Core Service ** **				
Emergency Response	756.20	772.20	772.20	761.20
Fire Prevention	29.99	31.49	31.49	31.63
Fire Safety Code Compliance	32.35	30.85	30.85	31.04
Strategic Support - Other - Public Safety	4.23	4.23	4.23	4.23
Strategic Support - Public Safety	32.71	33.71	33.71	35.38
Total	**855.48**	**872.48**	**872.48**	**863.48**

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** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
City-Wide Emergency Management					
Emergency Preparedness and Planning	8,442	0	0	0	0.00
Sub-Total	**8,442**	**0**	**0**	**0**	**0.00**
Emergency Response					
Fire and Emergency Medical Services Dispatch	9,961,456	10,470,515	10,808,018	10,808,018	48.48
Fire and Emergency Medical Services Response	252,901,670	236,875,503	249,484,902	244,516,286	665.41
Fire Stations/Apparatus Operations and Maintenance	12,401,851	11,699,093	11,335,327	11,380,327	5.76
Fire Sworn Training	6,304,768	9,194,609	9,370,448	9,366,421	12.95
Special Operations - Airport Rescue and Fire Fighting	5,940,559	6,745,201	6,977,358	6,977,358	18.34
Special Operations - Hazardous Incident Team	1,560,533	2,450,151	2,543,001	2,543,001	5.13
Special Operations - Urban Search and Rescue	1,423,954	2,157,653	2,411,329	2,411,329	5.13
Sub-Total	**290,494,791**	**279,592,725**	**292,930,383**	**288,002,740**	**761.20**
Fire Prevention					
Fire Cause Investigation	2,279,570	2,218,503	2,346,307	2,346,307	5.25
Fire Safety Education, Review, and Inspections	6,771,114	7,810,624	8,033,271	8,069,695	26.38
Sub-Total	**9,050,684**	**10,029,127**	**10,379,578**	**10,416,002**	**31.63**
Fire Safety Code Compliance					
Fire Development Services	8,448,944	8,453,273	8,373,990	8,570,028	31.04
Sub-Total	**8,448,944**	**8,453,273**	**8,373,990**	**8,570,028**	**31.04**
Strategic Support - Community & Economic Development					

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

** 2024-2025 Actuals may not subtotal due to rounding.

Fire Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Fire Management and Administration - Community and Economic Development	775,072	0	0	0	0.00
Sub-Total	**775,072**	**0**	**0**	**0**	**0.00**
Strategic Support - Other - Community & Economic Development					
Fire Capital - Community and Economic Development	1,501	0	0	0	0.00
Fire Other Operational - Administration - Community and Economic Development	17,871	0	0	0	0.00
Sub-Total	**19,372**	**0**	**0**	**0**	**0.00**
Strategic Support - Other - Public Safety					
Fire Capital - Public Safety	6,194,856	7,837,631	5,052,327	6,447,327	4.23
Fire Gifts - Public Safety	12,990	0	0	0	0.00
Fire Other Departmental - City-Wide - Public Safety	28,306	131,848	0	0	0.00
Fire Other Departmental - Grants - Public Safety	214,665	1,755,592	0	0	0.00
Fire Other Operational - Administration - Public Safety	79,540	0	0	0	0.00
Fire Overhead	324	1,643,773	1,765,510	1,776,100	0.00
Fire Workers' Compensation - Public Safety	14,599,817	12,605,000	13,715,000	13,715,000	0.00
Sub-Total	**21,130,498**	**23,973,844**	**20,532,837**	**21,938,427**	**4.23**
Strategic Support - Public Safety					
Fire Financial Management - Public Safety	4,450	0	0	0	0.00
Fire Human Resources - Public Safety	287,537	385,981	394,632	394,632	0.00
Fire Information Technology - Public Safety	2,450,711	3,176,159	3,002,414	3,317,414	12.05
Fire Management and Administration - Public Safety	5,727,520	5,470,223	5,287,130	5,523,116	23.33
Sub-Total	**8,470,218**	**9,032,363**	**8,684,176**	**9,235,162**	**35.38**
Total	**$338,398,021**	**$331,081,332**	**$340,900,964**	**$338,162,359**	**863.48**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**872.48**	**308,082,650**	**298,201,673**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(343,990)	(317,790)
• Emergency Medical Services Field Coordinator		(748,000)	(748,000)
• Fire Equipment Replacement		(405,000)	(405,000)
• Controlled Substance Security Devices		(200,000)	(200,000)
• 2026 Sporting Events - Fire Department		(100,000)	(100,000)
• Bureau of Support Services Utility Vehicles		(95,000)	(95,000)
• First Responder Fee Program		(16,712)	(16,712)
• Non-Development Fee Program Realignment		(12,383)	(12,383)
• Community Evacuation Notification Software		(4,000)	(4,000)
• Fire Communications Staffing		(3,270)	(3,270)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(1,928,355)**	**(1,902,155)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		10,309,236	10,259,036
• Fire Station 32 (Single Company)		3,378,587	3,378,587
• Vacancy Factor Adjustment		734,794	711,004
• Overtime Adjustment		433,308	433,308
• Software/Information Services: Records Management System		225,000	225,000
• Fire Academy Adjustment		93,071	93,071
• Supplies and Materials: Turnout Gear		60,000	60,000
• Supplies and Materials: Firefighter Boots		48,000	48,000
• Communications: Mobile Data Computers and Hotspots		42,000	42,000
• Training: Aircraft Rescue and Fire Fighting		41,340	41,340
• Aircraft Rescue and Fire Fighting Relief Adjustment		35,195	35,195
• Contract Services: EMS Equipment Maintenance		20,000	20,000
• Supplies and Materials: Fire Station Exercise Equipment		18,000	18,000
• Software/Information Services: Compact Rapid Deployable Cellular on Wheels		18,000	18,000
• Contract Services: Background Investigation Services		15,000	15,000
• Hazardous Incident Team Adjustment		12,499	12,499
• Urban Search and Rescue Adjustment		12,499	12,499
• Paramedic Field Training Adjustment		12,390	12,390
• Contract Services: Fire Station Laundry Services		11,000	11,000
• Supplies and Materials: Helmets		11,000	11,000
• Contract Services: Priority Dispatch		10,740	10,740
• Supplies and Materials: EMS Gloves		10,000	10,000
• Communications: FirstNet		7,000	7,000
• Software/Information Services: OSCR 360 Cameras		2,500	2,500
• Software/Information Services: Axon Licenses		2,500	2,500
• Night Shift Differential Adjustment		2,466	2,466

Fire Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Technical Adjustments to Costs of Ongoing Activities			
• Utilities: Electricity, Gas, Water		(218,000)	(218,000)
• Rent: Fire Station 20		(58,524)	(58,524)
• Vehicle Operations & Maintenance		(23,442)	(24,442)
Technical Adjustments Subtotals	**0.00**	**15,266,159**	**15,191,169**
2026-2027 Forecast Base Budget:	**872.48**	**321,420,454**	**311,490,687**
Budget Proposals Recommended			
1. Community Paramedicine Pilot Program	3.00	764,298	0
2. Electronic Patient Care Tablet Replacement		315,000	315,000
3. Fire Development Fee Program Vehicle Replacement		140,000	0
4. Vehicle Operations and Maintenance (Fleet Staffing)		45,000	45,000
5. Fire Station 32 Two-Year Deferral	(14.00)	(4,707,105)	(4,707,105)
6. Wildland Engine Staffing Reconfiguration	0.00	(491,244)	(491,244)
7. Emergency Medical Services Staffing	1.00	(219,844)	(219,844)
8. Fire Administration Staffing	1.00	(105,996)	(118,882)
9. Development and Non-Development Fee Program Staffing	0.00	(6)	(43,158)
Total Budget Proposals Recommended	**(9.00)**	**(4,259,897)**	**(5,220,233)**
2026-2027 Proposed Budget Total	**863.48**	**317,160,557**	**306,270,454**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Community Paramedicine Pilot Program	**3.00**	**764,298**	**0**

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Response Program

This action adds 1.0 Fire Captain, 1.0 Fire Engineer, and 1.0 Firefighter positions, through June 30, 2027, and one-time non-personal/equipment funding of $116,000 to implement the Community Paramedicine Pilot Program, which is funded by the San José Opioid Response Fund. The program is anticipated to begin in spring 2026 with the addition of the Fire Captain position. The remaining two positions, a Fire Engineer and a Firefighter position, will start on October 1, 2026. The pilot program is intended to explore alternatives to improve patient outcomes and system efficiency by reducing non-emergency 9-1-1 utilization and expanding access to patient-centered care in community settings, rather than defaulting to emergency department transport. Leveraging best practices in Mobile Integrated Healthcare and Community Paramedicine, specially trained Emergency Medical Services (EMS) providers will focus on high-utilizer populations, mental health and substance-use needs, and social service navigation. The Fire Captain will lead program oversight, coordination, and evaluation of alternate treatment and transport options in collaboration with the EMS Division Battalion Chief. Field-based services will be delivered by a dedicated Rescue Medic unit staffed by a Fire Engineer and a Firefighter. Following the conclusion of the pilot, program metrics will be evaluated, and any recommendations for continued funding will be made in the context of the City's General Fund position and other critical City Council priorities. (Ongoing costs: $0)

2. Electronic Patient Care Tablet Replacement		**315,000**	**315,000**

Public Safety CSA
Strategic Support – Public Safety Core Service
Fire Information Technology – Public Safety Program

This action adds one-time personal services and non-personal/equipment funding of $315,000, of which $61,000 is allocated to personal services and $254,000 to non-personal/equipment, for the replacement and installation of 130 Electronic Patient Care Reporting (ePCR) tablets. This allocation replaces nearly half of the Department's total inventory, which is reaching the end of its serviceable life. These devices are mandated under the County of Santa Clara Emergency Medical Services agreement and are essential for both patient documentation and fire command coordination during emergency incidents. Replacing these tablets will ensure contractual compliance, improve system responsiveness during medical responses, and support accurate clinical and operational decision-making. This funding is offset by recognizing funds from a partial liquidation of the Information Technology Sinking Fund Reserve. Additional funding to replace the remaining inventory will be reevaluated as part of future budget processes. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Fire Development Fee Program Vehicle Replacement		**140,000**	**0**

Community and Economic Development CSA
Fire Safety Code Compliance Core Service
Fire Development Services Program

This action adds one-time non-personal/equipment funding of $140,000, funded by the Fire Development Fee Program Fund, to replace two vehicles (sedans) that have reached the end of their serviceable life and are currently out of service. The vehicles are assigned to Development Services inspectors who conduct on-site construction inspections for new development and tenant improvement projects. This funding will provide inspectors with access to vehicles to maintain inspection capacity and support the timely completion of development projects. (Ongoing costs: $0)

4. Vehicle Operations and Maintenance (Fleet Staffing)		**45,000**	**45,000**

Public Safety CSA
Emergency Response Core Service
Fire Stations/Apparatus Operations and Maintenance Programs

This action adds non-personal/equipment funding of $45,000 for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. (Ongoing costs: $54,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Fire Station 32 Two-Year Deferral	**(14.00)**	**(4,707,105)**	**(4,707,105)**

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Response Program

This action defers for two years the opening of Fire Station 32 (FS32) and eliminates 3.0 Fire Captain, 4.0 Fire Engineer, and 7.0 Firefighter positions, decreases overtime funding of $181,000, and decreases non-personal/equipment funding of $75,000 for operations and maintenance costs associated with the new station, which originally was scheduled to begin operations in May 2026. FS32, a Measure T bond project located on the corner of Olinder Court and Felipe Avenue, was initially planned as a single-company station. It was later redesigned as a dual-company facility to house both a fire engine and a fire truck, addressing increased service demands in the area. The 2025-2026 Adopted Budget added funding to operate FS32 as a single company only station and indefinitely deferred the truck company. As part of the 2025-2026 Mid-Year Budget Review, the City Council approved deferring the opening of FS32 to help mitigate the projected General Fund revenue shortfall in 2025-2026 and in acknowledgement that a longer-term deferral was one of many budget balancing strategies under consideration as part of the Proposed Budget development. While this action does not reduce existing service levels, the deferral continues the significant service gap in a high-demand area currently covered by four surrounding engine companies, which already handle over 22% of the total citywide call volume. Given its importance, FS32 will be reevaluated as part of the 2027-2028 Proposed Budget cycle and be prioritized for activation earlier than 2028-2029 should budgetary conditions improve. (Ongoing savings: $4,780,003)

6. Wildland Engine Staffing Reconfiguration	**(0.00)**	**(491,244)**	**(491,244)**

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Response Program

This action adds 3.0 Firefighter positions and eliminates 3.0 vacant Fire Engineer positions to support the staffing response strategy associated with the conversion of one of the Department's Type 6 wildland engine to a Type 3 engine response. Unlike Type 6 engines, which require staffing of one Captain, two Engineers, and one Firefighter, Type 3 engines are cross-staffed with existing Type 1 units and require staffing of one Captain, one Engineer, and two Firefighters. This transition uses a cost-efficient staffing structure without sacrificing operational readiness and will have no impact on service levels. Furthermore, while a larger Type 3 engine has a larger footprint, that may limit access in narrow or steep terrain, it offers superior water capacity and pumping power for wildland-urban interface protection. This transition does not compromise wildfire suppression capabilities. (Ongoing savings: $478,893)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Emergency Medical Services Staffing	**1.00**	**(219,844)**	**(219,844)**

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Services Response and Fire Sworn Training Progams

This action adds 1.0 Nurse and 1.0 Fire Equipment Technician positions and non-personal/equipment funding of $140,000, and eliminates 1.0 vacant Nurse Practitioner position. Replacing the nurse practitioner with a nurse will better align the role and duties of the function because it does not require high-level clinical decision-making or direct patient diagnosis responsibilities associated with a nurse practitioner. The nurse will primarily be responsible for Advanced Cardiovascular Life Support and Pediatric Advanced Life Support (ACLS/PAL) trainings and certifications, infection control, 911 system high utilizers administration, and controlled substance and medication management and distribution. Additionally, this action transfers management of the Public Access Defibrillator (PAD) program from an external vendor to the Fire Equipment Technician position. The PAD program includes more than 200 defibrillators across City facilities, and the technician will ensure proper operation and maintenance of the units. This action decreases the overtime budget by $157,000, on an ongoing basis, to reflect reduced overtime usage because staff will complete the ACLS/PAL trainings on duty by in-house training from the Nurse instead of having to take the trainings off duty with an external vendor. In addition, this action decreases the non-personal/equipment funding by $122,000, ongoing, to reflect the savings from the Fire Equipment Technician position to perform the duties for the PAD program in-house versus using an external vendor. (Ongoing savings: $172,805)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
8. Fire Administration Staffing	**1.00**	**(105,996)**	**(118,882)**

Community and Economic Development CSA
Fire Safety Code Compliance Core Service
Fire Development Services Program

Public Safety CSA
Emergency Response Core Service
Fire and Emergency Medical Service Response Program
Fire Prevention Core Service
Fire Safety, Education, Review, and Inspections Program
Strategic Support – Public Safety Core Service
Fire Management and Administration – Public Safety Program

This action adds 1.0 Program Manager and 1.0 Analyst positions and non-personal/equipment funding of $6,300, and eliminates 1.0 Fire Captain position to optimize administrative functions across the Bureau of Administration Services and Bureau of Fire Operations while strengthening human resources and employee services functions. This action transfers scheduling management responsibilities from sworn to civilian staff, strengthens oversight and accountability in payroll and timekeeping functions, improves efficiency, reduces administrative backlogs, enhances compliance, and streamlines onboarding processes. The Program Manager will oversee initiatives to enhance diversity, recruitment, and retention; address Civil Grand Jury recommendations; improve compliance with non-management and management pay-for-performance programs; and manage internal affairs and related administrative matters. The position will also lead strategic efforts to address emerging operational challenges and serve as the Department's primary liaison on human resources and employee services matters. The Analyst position will serve as the payroll, timekeeping, and scheduling administrator, responsible for workforce scheduling compliance, database management, system administration, and the interpretation of labor agreements and organizational policies. (Ongoing savings: $44,848)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Development and Non-Development Fee Program Staffing	**0.00**	**(6)**	**(43,158)**

Community and Economic Development CSA
Fire Safety Code Compliance Core Service
Fire Development Services Program

Public Safety CSA
Fire Prevention Core Service
Fire Safety Education, Review, and Inspections Program
Strategic Support – Public Safety Core Service
Fire Management and Administration – Public Safety

This action shifts funding for the Assistant Fire Chief position from the General Fund to the Fire Development Fee Program Fund (11%) and to the revenue-supported Fire Non-Development Fee Program (6%) in the General Fund. This funding shift aligns the Assistant Fire Chief position with the Department's chain of command and executive leadership responsibilities, including driving the Department's strategic goals, policy development, program prioritization, and performance tracking. (Ongoing savings: $6)

2026-2027 Proposed Budget Changes Total	**(9.00)**	**(4,259,897)**	**(5,220,233)**

Fire Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - H well does a service reso deliver its intended outco How well does a servi resource deliver its inter output?

Emergency Response

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of fires contained:				
	- In room of origin	70%	80%	70%	80%
	- In structure of origin	88%	92%	92%	92%
PM 2	% of response time breakdown for Priority 1 calls (red lights/sirens; within eight minutes):				
	- Dispatch time (less than 2 minutes)	83%	85%	86%	86%
	- Turnout time (less than 2 minutes)	86%	85%	85%	85%
	- Travel time (less than 4 minutes)	34%	45%	35%	40%
PM 3	Average Dispatch Response Times[1]	N/A	N/A	N/A	N/A
PM 4	% of annual 9-1-1 calls answered by Fire Communications[2]				
	- within 15 seconds	85%	90%	83%	90%
	- within 20 seconds	87%	95%	83%	95%

[1] New measure – data not tracked and/or reported in 2024-2025 and 2025-2026. Target is anticipated to be reevaluated for relevance and could be recommended for deletion in 2026-2027.

[2] Target set to align with CALOES standards: 90% of calls answered within 15 seconds and 95% within 20 seconds.

Fire Department

Performance Summary

Emergency Response

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of SJFD Calls Received on Emergency Lines				
	- # of 9-1-1 calls received	89,728	128,600	95,731	99,641
	- # of 10-digit emergency lines received	26,601	102,725	26,638	27,838
AWH 2	# of SJFD Emergency Incidents Dispatched				
	- # of Priority 1 SJFD Responses (red lights/sirens; within eight minutes)	85,441	90,000	85,000	85,000
	- # of Priority 2 SJFD Responses (no red lights/sirens; within 13 minutes)	25,932	25,000	27,000	27,000
AWH 3	# of resource deployments for Rescue Medic Unit Response[1]	9,690	11,000	9,000	10,000
AWH 4	# of Emergency by Type Found on Arrival:	111,373	114,000	114,000	114,600
	- Fires (i.e., Structure Fires; Vehicles/Aircraft Fires; Vegetation Fires; Other Fires)	4,804	5,300	4,700	5,300
	- Medical Emergencies	68,492	70,000	70,000	70,000
	- Rescue, HAZMAT, USAR, non-fire hazards	6,295	6,500	6,500	6,500
	- Service Requests & Good Intent (incident type reported but no threat or issue found):	11,106	12,000	12,000	12,000
	~ Assist invalid	N/A[2]	2,000	1,500	1,500
	~ Assist other Agency	N/A[2]	50	40	40
	~ Lock out (rescue child or animal in locked vehicle)	N/A[2]	150	110	110
	~ Other	N/A[2]	9,800	10,350	10,350
	- False Alarm/False Call	1,223	1,300	1,300	1,300
	- No incident, wrong location, cancelled enroute	6,487	6,800	6,500	6,500
	- Uncategorized	12,966	12,500	13,000	13,000

[1] Resource Deployment denotes deployment of Rescue Medic Unit Responses and not exclusively of transports.

[2] Data was not tracked and/or reported in 2024-2025.

Performance Summary

Emergency Response

Data Sources: Emergency Response

Number	Data Source
PM 1	Power BI supplied with data from Fire House and CADD data
PM 2	Power BI supplied with data from Fire House and CADD data
PM 3	N/A
PM 4	N/A
AWH 1	N/A
AWH 2	Power BI supplied with data from Fire House and CADD data
AWH 3	Power BI supplied with data from Fire House and CADD data
AWH 4	Power BI supplied with data from Fire House and CADD data

Fire Department

Performance Summary

Fire Prevention

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
	*PM 1*	% of arson investigations with determination of cause	41%	40%	53%	45%
	*PM 2*	% of occupancies receiving an inspection:				
		- State-mandated	98%	100%	100%	100%
		- Assemblies (Buildings used to gather 50 or more persons or motion picture buildings for 10 or more persons)	100%	100%	100%	100%
		- Non-mandated	91%	85%	85%	85%
★★★	*PM 3*	% of inspections not requiring a re-inspection	89%	90%	90%	90%
	*PM 4*	% of Fire Prevention Code Enforcement complaints investigated (within 1 week)	90%	100%	99%	100%

Fire Department

Performance Summary

Fire Prevention

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Arson Incidents:				
	- # of investigations conducted by Arson Unit[1]	337	400	330	350
	- # of investigations resulting in arson determination	139	160	176	140
	- # of total arson fires in structures	41	80	54	70
	- # of total estimated dollar loss due to arson	$1.4M	$3.0M	$16.2M[2]	$8.0M
AWH 2	# of inspections by type:				
	- State-mandated:				
	~ Firefighters	5,533	5,651	5,650	5,650
	~ Bureau of Fire Prevention staff	788	773	780	780
	- Assemblies inspected by Bureau of Fire Prevention staff:				
	~ Initial	1,866	1,802	1,600	1,600
	~ Re-inspection	704	701	500	500
	- Non-mandated inspected by Bureau of Fire Prevention staff:				
	~ Initial	5,712	3,748	3,900	3,900
	~ Re-inspection	1,052	1,014	600	600
AWH 3	# of total annual permitted occupancies:				
	- Hazardous Materials (facilities that store or handle hazardous materials)	2,817	2,835	2,800	2,800
	- Fire & Life Safety[3]	5,877	5,876	6,000	6,000
AWH 4	# of complaints investigated	152	120	160	130
AWH 5	Public Safety Education	N/A[4]	135,000	135,000	135,000

[1] The Fire Department investigates every fire incident. If any investigation is determined to be other than accidental, it is referred to the Arson Unit for further investigation.

[2] The 2025-2026 Estimate accounts for a recent series of arson incidents and the escalation of replacement costs.

[3] Fire & Life Safety permits are completed annually for all new and existing buildings and structures.

[4] Data was not tracked and/or reported in 2024-2025. Data collection and reporting will begin in 2025-2026. The measure wil include: Overall # of social media interactions and website visits (i.e., Fireworks safety; storm and flood safety; wildfire safety; swimming pool; Halloween safety; kitchen safety; Christmas tree safety; general education); # of public outreach events; and # of public outreach event attendees.

Data Sources: Fire Prevention

Number	Data Source
PM 1	Fire House Web-Based Billing System
PM 2	Fire House Web-Based Billing System
PM 3	Fire House Web-Based Billing System
PM 4	Fire House Web-Based Billing System
AWH 1	Fire House Web-Based Billing System
AWH 2	Fire House Web-Based Billing System
AWH 3	Fire House Web-Based Billing System
AWH 4	Fire House Web-Based Billing System
AWH 5	In House Data

Fire Department

Performance Summary

Fire Safety Code Compliance

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
	% of Fire Code Compliance Plan Reviews that are completed within time targets				
PM 1	- Fire Sprinkler System Review (10 business days)	N/A[1]	92%	80%	92%
	- Fire Alarm System Review (10 business days)	N/A[1]	92%	89%	92%
	- Hazardous Materials System Review (10 business days)	N/A[1]	92%	89%	92%
	Average number of days until next available schedule date of inspection				
PM 2	Fire Life Safety	N/A[2]	N/A[2]	N/A[2]	5
	Fire Alarms	N/A[2]	N/A[2]	N/A[2]	5
	Fire Sprinklers	N/A[2]	N/A[2]	N/A[2]	5
	Hazardous Material Systems	N/A[2]	N/A[2]	N/A[2]	5
	Average number of days for initial plan review				
PM 3	Fire Life Safety	N/A[2]	N/A[2]	N/A[2]	15
	Fire Alarms	N/A[2]	N/A[2]	N/A[2]	10
	Fire Sprinklers	N/A[2]	N/A[2]	N/A[2]	10
	Hazardous Material Systems	N/A[2]	N/A[2]	N/A[2]	10

[1] New measure - data not tracked and/or reported in 2024-2025.
[2] New measure – data not tracked and/or reported in 2024-2025 and 2025-2026.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of new construction and tenant improvement plan checks performed	6,220	5,876	8,658	7,116
AWH 2	# of new construction and tenant improvement inspections performed	6,141	5,994	6,613	6,188
AWH 3	# of special event permits reviewed by Bureau of Fire Prevention	186	160	165	170

Data Sources: Fire Safety Code Compliance

Number	Data Source
PM 1	AMANDA database
PM 2	AMANDA database
PM 3	AMANDA database
AWH 1	AMANDA database
AWH 2	AMANDA database
AWH 3	Fire House Web-Based Billing System

Fire Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	13.00	14.00	1.00
Arson Investigator	4.00	4.00	-
Assistant Fire Chief	1.00	1.00	-
Associate Engineer	15.00	15.00	-
Automotive Equipment Specialist	1.00	1.00	-
Battalion Chief	24.00	24.00	-
Building Maintenance Superintendent	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Deputy Fire Chief	4.00	4.00	-
Division Manager	2.00	2.00	-
Facility Repair Worker	1.00	1.00	-
Fire Captain	176.00	173.00	(3.00)
Fire Chief	1.00	1.00	-
Fire Engineer	238.00	232.00	(6.00)
Fire Equipment Technician	2.00	3.00	1.00
Fire Fighter	274.00	271.00	(3.00)
Fire Prevention Inspector	13.00	13.00	-
Geographic Information Systems Specialist	1.00	1.00	-
Hazardous Materials Inspector I/II	6.00	6.00	-
Information Systems Analyst	2.00	2.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Nurse	0.00	1.00	1.00
Nurse Practitioner	1.00	0.00	(1.00)
Principal Account Clerk	2.00	2.00	-
Principal Office Specialist	1.00	1.00	-
Principal Permit Specialist	1.00	1.00	-
Program Manager	2.00	3.00	1.00
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	1.00	1.00	-
Public Safety Communications Specialist	2.00	2.00	-
Public Safety Radio Dispatcher	30.00	30.00	-
Public Safety Radio Dispatcher PT	0.48	0.48	-
Senior Account Clerk	2.00	2.00	-
Senior Analyst	5.00	5.00	-
Senior Engineer	3.00	3.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Hazardous Materials Inspector	1.00	1.00	-
Senior Office Specialist	4.00	4.00	-

Fire Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Senior Permit Specialist	3.00	3.00	-
Senior Public Safety Dispatcher	10.00	10.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	5.00	5.00	-
Supervising Public Safety Dispatcher	3.00	3.00	-
Training Specialist	1.00	1.00	-
Video/Multimedia Producer	1.00	1.00	-
Warehouse Worker I/II	1.00	1.00	-
Total Positions	**872.48**	**863.48**	**(9.00)**

Note: Of the 863.48 positions in the Fire Department in 2026-2027, 723 are sworn positions and 140.48 are civilian positions.

Housing Department

Erik L. Soliván, Director

MISSION

To make housing and neighborhood investments that create a more just community where all people thrive.

CITY SERVICE AREA

Community and Economic Development

Neighborhood Services

CORE SERVICES

COMMUNITY INVESTMENTS

Invest in at-risk residents and neighborhoods, provide funding for housing and community development capital projects, and provide support to public service organizations.

HOMELESSNESS RESPONSE

Provide a coordinated response to homeless residents including street-based outreach, case management, essential services, referrals, and housing options; invest in interim short-term housing and supportive parking solutions.

HOUSING PORTFOLIO MANAGEMENT

Manage the City's affordable housing loan portfolio, including loan servicing and monitoring and compliance of income restricted apartments; retain and extend the length of the restrictions to preserve the long-term affordability of the apartments.

HOUSING PRODUCTION AND PRESERVATION

Implement the strategies in the City's Housing Element. Manage the Housing Catalyst Work Plan for market-rate and affordable housing production. Provide financing for the rehabilitation, development, and construction of affordable housing; offer limited homeownership loans and administer Inclusionary and Housing Impact fee programs.

RENT STABILIZATION AND TENANT PROTECTIONS

Administer rent stabilization programs and requirements that stabilize rents while assuring landlords a fair return, ensuring tenants rights, mitigate impacts of displacement, and prevent retaliation.

Strategic Support: Planning and Policy Development, Public Education, Budget, Financial Management, Clerical Support, Human Resources, Audit Supervision, and Emergency Response and Recovery

Housing Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Community Investments Core Service	
Community Development Block Grant – Infrastructure Investments	Funds City infrastructure improvements in low-income neighborhoods and facility upgrades for non-profits that serve low-income communities.
Non-Profit Service Grants to Support Housing and Community Development Needs	Provides grants to non-profit organizations to support fair housing and tenant legal services, senior programs, homeless programs, minor repair programs for homeowners and mobile homeowners, and operating support.
Place-Based Neighborhood Strategy	Provides community engagement and leadership development services in low-income neighborhoods.
Homelessness Response Core Service	
Homeless Administrative Support	Provides strategic direction, community engagement, and technical assistance including programmatic and grant development and oversight, in addition to regional system alignment and support.
Homeless Outreach and Engagement	Administers direct outreach and engagement to persons experiencing homelessness, collects data for admission to shelter and housing options including supportive parking, safe sleeping, and emergency interim housing units.
Homeless Prevention	Supports access to supportive services and financial assistance, fair housing and tenant legal services, and other resources to assist households at risk of becoming homeless.
Homeless Services	Provides contracted services that offer individualized supportive services which include water, food, showers, restrooms, and laundry resources to assist individuals experiencing homelessness to attain and/or maintain self-sufficiency and stable housing
Interim Housing Construction and Operations	Provides support and grants to nonprofit organizations focused on construction and operations of temporary programs for individuals experiencing homelessness including emergency interim housing, converted motels, and supportive parking sites.
Rapid Rehousing	Administers funding and programs serving households experiencing homelessness with time-limited supportive services and/or financial and rental assistance.
Housing Portfolio Management Core Service	
Loan Compliance	Manages and oversees the City's affordable housing loan portfolio, including loan servicing and monitoring and compliance of affordable deed-restricted apartments.
Property Maintenance and Inspection	Works with existing developments to retain and preserve the long-term viability of affordable apartments.
Housing Production and Preservation Core Service	
Affordable Housing Development Loans	Provides financing and technical assistance for the construction of new affordable housing, the acquisition and rehabilitation of existing housing, and the restructuring of existing financing to create new and preserve existing affordable housing opportunities for low-income households and individuals. Assist in the application of State programs such as Homekey and Affordable Housing and Sustainable Communities Grants.

Service Delivery Framework

PROGRAM	DESCRIPTION
Housing Production and Preservation Core Service (Cont'd.)	
Homeownership Opportunities	Provides loan servicing for recipients of lending programs.
Inclusionary Housing	Provides technical assistance to market-rate residential and commercial developers in meeting their affordable housing requirements and implement inclusive programs.
Permanent Supportive Housing	Housing with no limit on length of stay, that is occupied by a target population, and that is linked to onsite or offsite services that assist supportive housing residents in retaining housing, improving their health status, and maximizing their ability to live and, when possible, work in the residents' community.
Rehabilitation Loans and Grants	Funds minor home repairs for low-income homeowners and mobile homeowners.
Rent Stabilization and Tenant Protections Core Service	
Apartment Rent Ordinance Administration	Administers the Apartment Rent Ordinance by promoting stable, longer-term tenancies by limiting excessive rent increases and evictions while assuring landlords a fair return; provides balanced treatment for both tenants and landlords through efficient and consistent administration of the Apartment Rent Ordinance program.
Mobilehome Rent Ordinance Administration	Administers the Mobilehome Rent Ordinance by supporting mobilehome residents in maintaining affordable housing by limiting excessive rent increases while assuring park owners receive a fair return through efficient and consistent administration of the Mobilehome Rent Ordinance program.
Tenant Protection Ordinance	Administers the Tenant Protection Ordinance by educating tenants and landlords about the Tenant Protection Ordinance and validating just termination of tenancies to ensure compliance with the Ordinance; supports tenants and landlords in understanding their rights and obligations under the Tenant Protection Ordinance and mitigates unnecessary displacement of apartment residents.
Strategic Support Core Service	
Housing Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.
Housing Management and Administration	Administers oversight for the department, including executive management, financial management, human resources, and analytical support.
Housing Planning and Policy Development	Analyzes and reports on Housing Department programs, and tracks implementation of the Housing Element.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Continue financing affordable housing developments targeted to produce over 700 units.
- Continue incentivizing market-rate housing developments targeted to produce nearly 2,000 units.
- Implement alternative financing strategies for investing in mixed-income market-rate and affordable residential developments.
- Continue implementing the reorganized Targeted Outreach and Engagement Program (TOEP) with unsheltered persons in support of a 96% continuing occupancy rate in the City's shelter system.
- Continue executing the Three-Year Rent Stabilization Program Strategic Plan, including revisions to the Apartment Rent Ordinance, Mobile Home Rent Ordinance, and Tenant Protection Ordinance.
- Implement the revisions adopted to the Inclusionary Housing Ordinance.
- Continue enhancements to the Housing Production Dashboard and improve neighborhood investment grant monitoring and compliance.
- Implement cost reductions to the City's shelter system and integration with the County Coordinated Entry System while maintaining system flexibility to respond to local needs and improving throughput to permanent housing.
- Implement the Enhanced Engagement Program in coordination with the Police Department and BeautifySJ Team.
- Implement the revised home ownership program; the Soft Story Retrofit Ordinance and Program; and the adaptive re-use motel acquisition and conversion program.
- Continue development of City-owned sites for affordable housing.

2026-2027 Key Budget Actions

- Allocates $55.0 million of new Measure E funding collected in the Real Property Transfer Tax Fund:
  - $47.0 million towards Homeless Support Programs: construction and operations of interim housing ($39.3 million); outreach, sanitation, and other support services ($3.5 million); maintenance and repairs of interim housing ($2.4 million); and lease costs for a safe parking site at Berryessa Road ($1.8 million).
  - $5.2 million for homeless prevention and rental assistance services.
  - $2.8 million in administrative costs for personnel and outside costs that support initiatives within Measure E.
- Within the City-Wide Expenses section, decreases the Interim Housing Construction and Operations funding in the General Fund by $1.25 million in 2026-2027 and $14.2 million ongoing, reflecting service delivery changes and cost sharing within the City's Interim Housing portfolio.
- As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, continues the Homeward Bound Program, which reunites homeless residents with their loved ones by funding their transportation or other relocation costs.
- Continues 3.0 Community Coordinator positions, through June 30, 2027, as part of the Enhanced Engagement Program to conduct outreach at large or long-standing encampments and coordinate with the Neighborhood Quality of Life Team and the BeautifySJ Team on implementation of the Code of Conduct for Encampments.

Operating Funds Managed

- Affordable Housing Impact Fee Fund
- Building Home and Jobs Act Fund
- Community Development Block Grant Fund
- Economic Development Administration Loan Fund
- Home Investment Partnership Program Trust Fund
- Homeless Housing, Assistance, & Prevention Fund
- Housing Trust Fund
- Inclusionary Fee Fund
- Low and Moderate Income Housing Asset Fund
- Multi-Source Housing Fund
- Real Property Transfer Tax Fund
- Rent Stabilization Fee Fund

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Community Investments	9,977,393	11,377,899	10,402,444	10,402,444
Homelessness Response	102,430,197	96,898,342	109,828,065	110,433,968
Housing Portfolio Management	2,403,722	4,468,429	4,488,034	4,488,034
Housing Production and Preservation	27,565,504	124,155,750	34,550,356	34,647,631
Rent Stabilization and Tenant Protections	3,981,037	3,767,674	3,697,172	3,266,288
Strategic Support - Community & Economic Development	(3,928,737)	5,880,713	6,363,284	6,027,746
Strategic Support - Other - Community & Economic Development	14,632,554	3,824,438	3,340,083	3,192,606
Strategic Support - Other - Neighborhood Services	5,294	702,497	1,033,399	1,212,151
Total	**$157,066,964**	**$251,075,742**	**$173,702,837**	**$173,670,868**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	19,068,101	25,474,132	24,195,039	25,340,666
Overtime	60,001	34,830	34,830	34,830
Subtotal Personal Services	$19,128,102	$25,508,962	$24,229,869	$25,375,496
Non-Personal/Equipment	2,307,181	2,474,409	2,240,140	2,240,140
Total Personal Services & Non-Personal/Equipment	**$21,435,283**	**$27,983,371**	**$26,470,009**	**$27,615,636**
Other Costs *				
City-Wide Expenses	16,695,236	1,749,187	19,100,000	17,850,000
Housing Loans and Grants	34,488,388	72,955,595	34,076,305	34,076,305
Other	81,776,064	145,440,289	90,474,282	90,474,282
Other - Capital	0	0	0	0
Overhead Costs	2,671,993	2,947,300	3,582,241	3,654,645
Workers' Compensation	0	0	0	0
Total Other Costs	**$135,631,681**	**$223,092,371**	**$147,232,828**	**$146,055,232**
Total	**$157,066,964**	**$251,075,742**	**$173,702,837**	**$173,670,868**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	17,138,545	2,386,183	19,919,229	18,616,592
Affordable Housing Impact Fee Fund (452)	2,120,245	125,380	128,263	128,263
Building Homes and Jobs Act Fund (456)	12,874,346	66,813	2,058,802	2,090,521
Community Development Block Grant Fund (441)	6,551,144	6,293,753	3,980,730	3,980,730
Emergency Reserve Fund (406)	325	0	0	0
Home Investment Partnership Program Trust Fund (445)	368,668	12,084,651	5,836,197	5,836,197
Homeless Housing, Assistance, and Prevention Fund (454)	29,081,803	20,055,840	23,355,568	23,446,787
Housing Trust Fund (440)	1,351,372	2,143,717	1,456,932	1,456,932
Inclusionary Fee Fund (451)	15,470,181	20,907,065	384,859	384,859
Low and Moderate Income Housing Asset Fund (346)	21,649,034	45,224,659	40,222,035	40,090,912
Multi-Source Housing Fund (448)	23,972,073	26,127,357	14,596,252	15,112,011
Real Property Transfer Tax Fund (404)	22,720,099	111,054,205	56,878,870	58,131,876
Rental Stabilization Program Fee Fund (450)	3,769,129	4,606,119	4,885,100	4,395,188
Total	**$157,066,964**	**$251,075,742**	**$173,702,837**	**$173,670,868**
Positions by Core Service **				
Community Investments	7.75	9.55	8.60	8.60
Homelessness Response	32.59	48.84	40.15	49.25
Housing Portfolio Management	13.00	13.00	12.72	12.72
Housing Production and Preservation	13.10	10.55	13.83	14.63
Rent Stabilization and Tenant Protections	17.77	17.47	17.07	14.97
Strategic Support - Community & Economic Development	25.49	26.29	28.18	26.58
Strategic Support - Other - Community & Economic Development	1.80	1.80	1.95	1.75
Total	**111.50**	**127.50**	**122.50**	**128.50**

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*** 2024-2025 Actuals may not subtotal due to rounding.
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Housing Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Housing Portfolio Management					
Loan Collections	17,986	0	0	0	0.00
Loan Compliance	2,254,007	2,809,798	2,711,281	2,711,281	11.72
Property Maintenance and Inspection	131,729	1,658,631	1,776,753	1,776,753	1.00
Sub-Total	**2,403,722**	**4,468,429**	**4,488,034**	**4,488,034**	**12.72**
Homelessness Response					
Congregate Shelter	1,030,687	0	0	0	0.00
Homeless Administrative Support	5,720,078	2,977,618	1,941,156	2,641,697	7.88
Homeless Hygiene & Meals	1,744,713	2,607,119	0	0	0.00
Homeless Outreach and Case Management	17,230,748	0	0	0	0.00
Homeless Outreach and Engagement	9,350,179	10,422,762	7,445,962	8,015,053	25.01
Homeless Prevention	5,947,566	18,977,918	11,265,369	11,229,304	9.81
Homeless Services	0	0	2,610,270	2,610,270	0.00
Homeless Supportive Services	2,426,280	225,000	0	0	0.00
Interim Housing Construction and Operations	54,814,293	58,156,437	82,740,308	82,112,644	5.95
Interim Supportive Housing Development	1,481,670	0	0	0	0.00
Joint Encampment Response Team	(55,000)	0	0	0	0.00
Rapid Rehousing (RRH)	1,821,335	3,531,488	3,825,000	3,825,000	0.60
Tenant Based Rental Assistance and Rapid Rehousing	917,648	0	0	0	0.00
Sub-Total	**102,430,197**	**96,898,342**	**109,828,065**	**110,433,968**	**49.25**
Housing Production and Preservation					
Affordable Housing Development Loans	25,960,180	110,711,579	33,414,219	33,337,617	7.98
Homeownership Opportunities	12,238	9,239,579	0	0	0.00
Inclusionary Housing	141,840	418,894	591,489	765,366	4.00

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Permanent Supportive Housing (PSH)	1,408,879	220,148	249,239	249,239	1.00
Rehabilitation Loans and Grants	42,367	3,565,550	295,409	295,409	1.65
Sub-Total	**27,565,504**	**124,155,750**	**34,550,356**	**34,647,631**	**14.63**
Community Investments					
Community Development Block Grant - Infrastructure Investments	3,812,616	3,660,505	916,929	916,929	4.30
Neighborhood Stabilization	847,297	0	0	0	0.00
Non-Profit Service Grants to Support Housing and Community Development Needs	5,133,268	7,707,894	9,476,015	9,476,015	4.30
Place-Based Neighborhood Strategy	184,212	9,500	9,500	9,500	0.00
Sub-Total	**9,977,393**	**11,377,899**	**10,402,444**	**10,402,444**	**8.60**
Rent Stabilization and Tenant Protections					
Apartment Rent Ordinance Administration	2,417,011	2,774,573	2,699,737	2,348,390	10.22
Mobilehome Rent Ordinance Administration	896,820	235,457	236,927	190,129	0.90
Tenant Protection Ordinance	667,206	757,644	760,508	727,769	3.85
Sub-Total	**3,981,037**	**3,767,674**	**3,697,172**	**3,266,288**	**14.97**
Strategic Support - Community & Economic Development					
Housing Emergency Response and Recovery	(9,716,921)	0	0	0	0.00
Housing Management and Administration	4,848,412	4,396,245	5,015,081	4,679,543	20.28
Housing Planning and Policy Development	939,772	1,484,468	1,348,203	1,348,203	6.30
Sub-Total	**(3,928,737)**	**5,880,713**	**6,363,284**	**6,027,746**	**26.58**
Strategic Support - Other - Community & Economic Development					
Housing Other Departmental - City-Wide	616,678	1,220,088	506,694	465,565	1.75
Housing Other Departmental - Grants	11,415,063	359,547	284,547	284,547	0.00
Housing Other Operational - Administration	13,154	0	0	0	0.00

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Housing Overhead - Community and Economic Development	2,549,876	2,244,803	2,548,842	2,442,494	0.00
Housing Transfers	37,783	0	0	0	0.00
Housing Workers' Compensation	0	0	0	0	0.00
Sub-Total	**14,632,554**	**3,824,438**	**3,340,083**	**3,192,606**	**1.75**
Strategic Support - Other - Neighborhood Services					
Housing Overhead - Neighborhood Services	5,294	702,497	1,033,399	1,212,151	0.00
Sub-Total	**5,294**	**702,497**	**1,033,399**	**1,212,151**	**0.00**
Total	**$157,066,964**	**$251,075,742**	**$173,702,837**	**$173,670,868**	**128.50**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**127.50**	**27,983,371**	**636,996**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• HOME Program Grant		46,714	0
• Measure E - Homeless Response and Outreach (1.0 Analyst I/II, 2.0 Development Officer, 1.0 Senior Development Officer)	(4.00)	(776,863)	0
• Homelessness Coordination Team (1.0 Division Manager, 2.0 Senior Development Officer)	(3.00)	(675,024)	0
• Homeless Rapid Rehousing	0.00	(493,512)	0
• Homeward Bound		(200,000)	0
• West Valley Community Services		(75,000)	0
• Housing Program Development and Monitoring		(10,983)	0
One-Time Prior Year Expenditures Subtotal:	**(7.00)**	**(2,184,668)**	**0**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Division Manager to 1.0 Housing Policy and Planning Administrator - 1.0 Senior Development Officer to 1.0 Housing Policy and Planning Administrator	0.00	464,992	(19,081)
• Code of Conduct for Encampments (City Council approval on June 10, 2025): Shifts 2.0 Community Activity Worker from Parks, Recreation and Neighborhood Services Department	2.00	201,314	201,314
• Vehicle Operations & Maintenance		5,000	0
• Fund Shift: Housing Staffing Realignment	0.00	0	0
• Fund Shift: Housing Grant Staffing	0.00	0	0
Technical Adjustments Subtotal:	**2.00**	**671,306**	**182,233**
2026-2027 Forecast Base Budget:	**122.50**	**26,470,009**	**819,229**
Budget Proposals Recommended			
1. Homelessness Response Division Staffing (Continuation)	3.00	622,336	0
2. Enhanced Engagement Program Staffing (Continuation)	3.00	476,241	0
3. PATH-CITED Grant Funded Staffing	2.00	463,246	0
4. Communications Staffing	(1.00)	(210,546)	(52,637)
5. Recruitment Staffing	(1.00)	(205,648)	0
6. Homelessness Response and Housing Production Staffing Alignment	0.00	(2)	0
Total Budget Proposals Recommended	**6.00**	**1,145,627**	**(52,637)**
2026-2027 Proposed Budget Total	**128.50**	**27,615,636**	**766,592**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Homelessness Response Division Staffing (Continuation)	**3.00**	**622,336**	**0**

Neighborhood Services CSA
Homelessness Response Core Service
Interim Housing Construction and Operations Program

This action continues and makes permanent 1.0 Senior Development Officer and 2.0 Development Officer positions supporting interim housing operations and programming. These positions are currently funded by the homeless response staff allocation in the Real Property Transfer Tax Fund. The Real Property Transfer Tax Fund will continue to fund the permanent positions from the Homeless Support Programs allocation.

The Senior Development Officer position is responsible for oversight of the partnership with the County on interim-housing alignment, managing the implementation and opening of the shelter sites, coordinating the integration of the City and County shelter systems, and overseeing the performance outcomes throughout the shelter system. One Development Officer position will provide daily supervision of the third-party contract outreach teams and will oversee the Enhanced Engagement Program (EEP) Team. This position ensures complete data collection by the two contractors, PATH and HomeFirst, and assists with the implementation of the Targeted Outreach and Engagement Program (TOEP) - Quadrant System. The other Development Officer position will coordinate the daily interim housing operations at the shelter sites. The position will coordinate with all supportive service providers on their daily management and problem-solving, including program participation, personal housing plans, and compliance with the requirements of continuing occupancy at the site. The position will support the broader shelter system work executed by the Senior Development Officer position.

The work addresses ongoing and long-term needs for operating the City's portfolio of 21 interim housing sites and permanent positions support staff retention, institutional knowledge, and consistent service delivery. This change strengthens operational capacity and aligns staffing structure with the sustained nature of homelessness response efforts towards meeting the City Focus Area of Reducing Unsheltered Homelessness. (Ongoing costs: $622,336)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
2. Enhanced Engagement Program Staffing (Continuation)	**3.00**	**476,241**	**0**

Neighborhood Services CSA
Homelessness Response Core Service
Homeless Outreach and Engagement Program

This action continues 3.0 Community Coordinator positions in the Homelessness Response Division through June 30, 2027. The limit-dated positions will be funded by the Real Property Transfer Tax Fund in the Homeless Support Program allocation.

The positions are part of the Enhanced Engagement Program (EEP), which is a Council-directed initiative within the Homelessness Response Division, led by the Housing Department in coordination with the Police Department (PD) and Parks, Recreation, and Neighborhood Services (PRNS) Department. The Housing Department has reorganized its outreach and engagement approach to better support the Targeted Outreach and Engagement Program (TOEP) and shelter throughput goals. As part of this effort, the Department reduced select third-party outreach contracts and reallocated resources to expand internal outreach capacity, strengthen coordination, and improve data collection and accountability. TOEP is the Housing Department's citywide strategy for outreach and engagement to unsheltered neighbors, with EEP focused on proactive enforcement of the Code of Conduct for Encampments. Consistent with TOEP, EEP is also tracking outcomes including the number of unduplicated individuals contacted, the number of direct referrals by outreach workers, the number of direct referrals that result in successful placement or connection to other services, and the number of unduplicated individuals declining housing, shelter or services.

The 3.0 Community Coordinator positions are necessary to conduct relationship-based outreach at large or long-standing encampments, support and track offers of shelter or housing, and coordinate with the PD Neighborhood Quality of Life Team and the PRNS BeautifySJ Team on implementation of the Code of Conduct for Encampments. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. PATH-CITED Grant Funded Staffing	**2.00**	**463,246**	**0**

Neighborhood Services CSA
Homelessness Response Core Service
Homeless Administrative Support Program

This action continues 1.0 Division Manager position and 1.0 Senior Development Officer position on the Data Management team through June 30, 2027, and shifts 20% of the allocation for 1.0 filled Deputy Director position and 30% of the allocation for 1.0 vacant Senior Public Information Officer position. The limit-dated positions will be funded 50% by the Real Property Transfer Tax Fund in the Homeless Support Program allocation and 50% by the PATH-CITED Grant in the Multi-Source Housing Fund. The funding shifts for the Deputy Director and Senior Public Information Officer positions will be from the Multi-Source Housing Fund and Low and Moderate Income Housing Asset Fund to the PATH-CITED Grant in the Multi-Source Housing Fund.

The PATH-CITED Grant provides $1.3 million in State funding, with a required $1.3 million City match, for a total program budget of $2.6 million to support capacity-building and infrastructure activities aligned with California Advancing and Innovating Medi-Cal (CalAIM) requirements. Eligible uses of funds include staffing positions that strengthen data systems, reporting, interoperability, and program implementation. PATH-CITED funding is available for eligible expenses incurred during calendar year 2026 and is scoped to the program buildout phase (infrastructure, data systems, workflows, contracting, and interagency coordination).

The limit-dated positions on the Data Management team, previously shifted from the City Manager's Office to the Housing Department, will support the development and maintenance of outcome dashboards, cross-departmental data alignment, and timely reporting tied to homelessness and unsheltered response initiatives. In addition, these positions manage and coordinate the increasing volume of data requests and inquiries related to the City’s Unsheltered Homelessness Focus Area, ensuring consistent, accurate, and efficient responses across departments and external partners. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Communications Staffing	**(1.00)**	**(210,546)**	**(52,637)**

Community and Economic Development CSA
Rent Stabilization and Tenant Protections Core Service
Apartment Rent Ordinance Administration Program
Strategic Support – Community & Economic Development Core Service
Housing Management and Administration Program

This action eliminates 1.0 filled Public Information Manager position on the Communications team. With the consolidation of the Policy and Communications functions under the Housing Policy and Program Administrator, the Department conducted an internal review of the current communications staffing structure that indicated that the Public Information Manager position is no longer necessary to meet operational needs. The core responsibilities of the Public Information Manager — content oversight, media coordination, and message development — are fully absorbed by the Housing Policy and Program Administrator. The Department's Senior Public Information Representative and Public Information Representative positions possess the technical and operational skills required to execute day-to-day communications functions, including media responses, social media management, public outreach materials, and coordination with the City Manager's Office of Communications and the Mayor's Communication team. This position is funded by the Low and Moderate Income Housing Asset Fund; the Rent Stabilization Program Fee Fund; and the General Fund. (Ongoing savings: $210,546)

5. Recruitment Staffing	**(1.00)**	**(205,648)**	**0**

Community and Economic Development CSA
Strategic Support – Community & Economic Development Core Service
Housing Management and Administration Program
Strategic Support – Other – Community & Economic Development Core Service
Housing Other Departmental – City-Wide Program

Neighborhood Services CSA
Homelessness Response Core Service
Homeless Outreach and Engagement Program

This action eliminates 1.0 filled Analyst I/II position in the Administrative Services Division as part of a citywide initiative to consolidate employment and hiring functions centrally under the Human Resources Department, where appropriate. The recruitment activities will instead be provided by existing staff in the Human Resources Department. This position is funded by the Low and Moderate Income Housing Asset Fund; the Homeless Housing, Assistance, and Prevention Fund; and the Real Property Transfer Tax Fund. (Ongoing savings: $205,648)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
6. Homelessness Response and Housing Production Staffing Alignment	**0.00**	**(2)**	**0**

Community and Economic Development CSA
Rent Stabilization and Tenant Protections Core Service
Apartment Rent Ordinance Administration, Mobilehome Rent Ordinance Administration, and Tenant Protection Ordinance Programs
Housing Production and Preservation Core Service
Inclusionary Housing Program

Neighborhood Services CSA
Homelessness Response Core Service
Homeless Administrative Support, Homeless Outreach and Engagement, and Homeless Prevention Programs

This action shifts 1.0 filled Senior Development Officer position and 1.0 vacant Analyst I/II position from the Rent Stabilization team to the Homelessness Response Division and the Production and Preservation team, respectively, to align staffing resources with current operational priorities and workload demands.

To improve operational efficiency and align with the City's increased focus on homelessness response, the Housing Department redirected a Senior Development Officer position from the Rent Stabilization Team to the Homelessness Response Division to better support evolving programmatic and administrative needs within the Homelessness Response Division.

The Analyst I/II position will provide ongoing support to the Senior Development Officer of Market Rate Housing for implementation of the Inclusionary Housing Ordinance, Multifamily Housing Incentive Program management and implementation, and management of the Downtown Residential Incentive Program expansion.

The Senior Development Officer position will be funded by a combination of the Homeless Housing, Assistance, and Prevention Fund and the Multi-Source Housing Fund, and the Analyst II position will be funded by the Low and Moderate Income Housing Asset Fund. (Ongoing costs: $1)

2026-2027 Proposed Budget Changes Total	6.00	1,145,627	(52,637)

Housing Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Community Investments

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of Community Development Block Grants (CDBG) reimbursement invoices processed within 30 days of receipt containing required documentation	96%	90%	90%	90%
PM 2	% of Community Development Block Grants (CDBG) funds used for projects by type[1]:				
	- Public Services	21%	15%	25%	13%
	- Community Development Investment (CDI) Non-Construction Projects	73%	50%	39%	37%
	- Community Development Investment (CDI) Construction Projects	5%	35%	36%	50%

[1] Beginning with the 2025-2026 Target, the methodology to calculate the percentage of CDBG funds used for projects by type changed to include both the estimated program income and the annual entitlement award. Administrative funds are not captured in any of the project types. These funds are capped at 20% of the CDBG funds and support the City's oversight and administration across various departments and project types.

Housing Department

Performance Summary

Community Investments

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of home repair projects completed:				
	- Rehabilitation projects	93	0	0	0
	- Minor repair	494	300	0[1]	400
	- Total	587	300	0[1]	400
AWH 2	Grant funding for low-income residents to provide Senior Nutrition meals				
	- Amount ($)	$585,000	$585,000	$585,000	$585,000
	- # of residents	410	440	440	440
AWH 3	# of inspections from Enhanced Code Enforcement Program for multifamily housing funded by Community Development Block Grants (CDBG)	660	660	500	500

[1] There were no minor home repair projects completed in 2025-2026 as the non-profit organizations that were awarded funding could not move forward with the projects due to the funding requirement and administrative constraints.

Data Sources: Community Investments

Number	Data Source
PM 1	Fiscal Team Tracking Reports
PM 2	Quarterly Reports, Annual Action Plan
AWH 1	Quarterly Reports
AWH 2	Quarterly Reports
AWH 3	Quarterly Reports

Housing Department

Performance Summary

Homelessness Response

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated[3]	2026-2027 Target
 *PM 1*	Average length of stay (days) for San José funded Temporary/Interim Housing and Supportive Parking:				
	- Temporary Programs	20	18	16	17
	- Interim Programs	263	340	294	279
	- Supportive Parking Programs	176	225	395	400
 *PM 2*	% of clients based on exits to the following from all San José funded shelter programs[1]:				
	- Permanent	29%	41%	34%	39%
	- Temporary	7%	14%	8%	13%
	- Institutional	5%	6%	9%	8%
	- Homeless Situations	45%	20%	34%	29%
	- Other	14%	19%	15%	11%
 *PM 3*	% Unit occupancy of each shelter type:				
	- Interim Housing/Temporary Sites	89%	95%	95%	95%
	- Supportive Parking	99%	95%	95%	95%
 *PM 4*	% of clients that transitioned to emergency shelter from outreach programs[2]	28%	16%	65%	64%

[1] The categories Institutional, Homeless Situations, and Other (Situations) are defined further in the U.S. Department of Housing and Urban Development's FY 2024 HMIS Data Standards Data Dictionary. Institutional situations include six possible exit distensions of 1) foster care home or foster care group home, 2) hospital or other residential non-psychiatric medical facility, 3) jail, prison, or juvenile detention facility,4) long-term care facility or nursing home, 5) psychiatric hospital or other psychiatric facility, and 6) substance abuse treatment facility or detox center. Homeless Situations include three possible exit destinations of 1) place not meant for habitation (e.g., a vehicle, an abandoned building, bus/train/subway station/airport or anywhere outside), 2) emergency shelter, including hotel or motel paid for with emergency shelter voucher, host home shelter, and 3) safe haven. Other situations represent five categories of 1) no exit interview completed, 2) other, 3) deceased 4) client doesn't know / prefers not to answer, and 5) data not collected.

[2] Starting in 2025-2026, the measure includes HUD permanent and temporary destination categories as well as emergency shelter and safe haven exit destinations. In prior years, the measure only included emergency shelter and safe haven exit destinations.

[3] Estimates based on Homeless Management Information System (HMIS) data from 2025-2026 quarters 1 and 2.

Homelessness Response

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of San José affiliated homeless individuals who transitioned to permanent housing:				
	- Chronic	656	813	700	750
	- Non-chronic	841	944	860	860
AWH 2	# of San José affiliated households accessing prevention services	1,238	1,968	2,500	2,700
AWH 3	# of new participants enrolled into Homeless Management Information System (HMIS)	3,128	500[1]	2,750	2,500
AWH 4	# of persons contacted by community outreach workers	2,377	2,000	2,250	2,500
AWH 5	Outreach program participant outcomes:				
	- # of persons offered placement in shelter or housing	1,175	750	850	900
	- # of times outreach program participants reported connecting to other services (behavioral health, drug and alcohol counseling, etc.)	N/A[1]	250	36	40

[1] The activity and workload metric was newly added in 2025-2026 and the Forecast was incorrectly set.

Data Sources: Homelessness Response

Number	Data Source
PM 1	Clarity Human Services Homeless Management Information System (HMIS)
PM 2	Clarity Human Services Homeless Management Information System (HMIS)
PM 3	Clarity Human Services Homeless Management Information System (HMIS)
PM 4	Clarity Human Services Homeless Management Information System (HMIS)
AWH 1	Clarity Human Services Homeless Management Information System (HMIS)
AWH 2	Clarity Human Services Homeless Management Information System (HMIS)
AWH 3	Clarity Human Services Homeless Management Information System (HMIS)
AWH 4	Clarity Human Services Homeless Management Information System (HMIS)
AWH 5	Clarity Human Services Homeless Management Information System (HMIS)

Housing Department

Performance Summary

Housing Portfolio Management

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★	*PM 1*	% of annual property compliance reviews completed	N/A[1]	80%	88%	80%
	*PM 2*	% average vacancy rate across the asset portfolio for stabilized properties	N/A[1]	10%	5%	10%

1 Data is not available because the performance measure is new for 2025-2026.

Housing Portfolio Management

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of total units under affordable housing asset management:				
	- Direct investment	101	307	937	463
	- City issued bonds	0	259	540	177
	- Non-City issued bonds and subject to department compliance	N/A[1]	2,500	1,582	201
AWH 2	# of income restricted for sale homes	0[2]	273	0[2]	0[2]

1 Data is not available because the activity and workload metric is new for 2025-2026.

2 Projects proposing income restricted for sale homes were entitled prior to 2024-2025, and there are currently no income restricted for sale homes under construction.

Data Sources: Housing Portfolio Management

Number	Data Source
PM 1	Asset Management
PM 2	Asset Management
AWH 1	Project Tracker, City Council memos
AWH 2	Project Tracker

Housing Department

Performance Summary

Housing Production and Preservation

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	$ average per unit City subsidy in funding commitments for new construction projects	$150,000	$225,000	$141,078	$225,000
	*PM 2*	# of housing units completed by type:				
		- Permanent Supportive Housing	0[1]	21	81	40
		- ADA Accessible	10	26	0[1]	0[1]
		- Family	600	387	501	289
		- Seniors	0[1]	101	101	0[1]
		- Veterans	0[1]	0[1]	0[1]	25
		- Inclusionary Housing	0[1]	194	0[1]	0[1]
		- Market Rate	1,214	1,718	476	476

[1] There are no housing units projected for completion.

Housing Department

Performance Summary

Housing Production and Preservation

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of housing units completed construction:				
	- Income restricted affordable	79	510	612	311
	- Unrestricted market rate	1,214	1,500	476	476
AWH 2	New construction starts:				
	- # of income restricted affordable units	101	220	937	463
	- $ investments in income restricted projects	$15,150,000	$60,000,000	$132,189,943	$52,173,821
AWH 3	Preservation of units construction funding:				
	- # of income restricted affordable units	0	18	398	104
	- $ investments in income restricted projects	N/A[1]	$5,000,000	$37,915,118	$10,500,000
AWH 4	# of income restricted for sale homes in construction	0[2]	387	0[2]	81

[1] Data is not available because the activity and workload metric is new for 2025-2026.

[2] There are no income restricted for sale homes in construction.

Data Sources: Housing Production and Preservation

Number	Data Source
PM 1	Project Tracker, City Council Memos □
PM 2	Project Tracker, Project Descriptions
AWH 1	Project Tracker, Temporary/Final Certificate of Occupancy □
AWH 2	Project Tracker, City Council Memos
AWH 3	Project Tracker, City Council Memos, Siting Policy
AWH 4	Super Tracker

Housing Department

Performance Summary

Rent Stabilization and Tenant Protection

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of households stabilized by Eviction Diversion Program	82%	84%	84%	84%
★★★	*PM 2*	% of tenant/landlord petitions resolved	79%	90%	80%	80%
★★★	*PM 3*	% of tenant/landlord petitions that resulted in voluntary agreement	37%	50%	61%	50%
	*PM 4*	% of rent-stabilized units registered annually with the Rent Stabilization Program Rent Registry	99%	96%	96%	96%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of tenant petitions submitted for:				
	- Housing services reduction	85	75	60	75
	- Unlawful rent adjustments	17	10	11	10
AWH 2	# of Rent Stabilization and Tenant Protection property owner workshops and meetings:				
	- Number of events	7	6	12	6
	- Number of attendees	281	150	85	150
AWH 3	Eviction Prevention:				
	- # of eviction inquiries from tenants and property owners	3,687	3,500	6,000	5,000
	- # of tenants and property owners assisted during the unlawful detainer (eviction) calendar at Santa Clara County Superior Court	302	250	350	300

Data Sources: Rent Stabilization and Tenant Protection

Number	Data Source
PM 1	EHC Services Tracking Report
PM 2	Salesforce
PM 3	Salesforce
PM 4	RSP Percent Registered by Period Tracking Report
AWH 1	Salesforce
AWH 2	Salesforce
AWH 3	EHC Services Tracking Report

Housing Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	30.00	28.00	(2.00)
Assistant to the Director	1.00	1.00	-
Building Rehabilitation Inspector I/II	1.00	1.00	-
Community Activity Worker	2.00	4.00	2.00
Community Coordinator	8.00	11.00	3.00
Deputy Director	3.00	3.00	-
Development Officer	20.00	20.00	-
Development Specialist	4.00	4.00	-
Development Specialist PT	0.50	0.50	-
Director of Housing	1.00	1.00	-
Division Manager	5.00	4.00	(1.00)
Housing Policy and Plan Administrator	3.00	5.00	2.00
Information Systems Analyst	2.00	2.00	-
Office Specialist I/II	3.00	3.00	-
Public Information Manager	1.00	0.00	(1.00)
Public Information Representative I/II	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	5.00	5.00	-
Senior Development Officer	19.00	17.00	(2.00)
Senior Public Information Representative	1.00	1.00	-
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	9.00	9.00	-
Student Intern PT	1.00	1.00	-
Total Positions	**127.50**	**128.50**	**1.00**

Human Resources Department

Aram Kouyoumdjian, Director

MISSION

Our Human Resources team recognizes that our employees power the City of San José and our success as a City is dependent on our ability to create a dynamic and engaged workforce. Our employees' ability to provide excellent service is strengthened when we invest in attracting talent, providing opportunities for career growth, enabling an environment focused on health, safety, and wellness, and retaining a diverse workforce in a workplace that is equitable and inclusive.

CITY SERVICE AREA

Strategic Support

CORE SERVICES

EMPLOYEE BENEFITS

Provide benefit programs that best meet the needs of employees, retirees, their dependents, and the City, and assist participants in effectively utilizing their plans.

EMPLOYMENT SERVICES

Facilitate the City's ability to attract and hire a diverse and talented workforce.

HEALTH AND SAFETY

Provide services that promote employee health, safety, and well-being.

TRAINING AND DEVELOPMENT

Provide Citywide employee training and pipeline development programs that support employee recruitment, growth, engagement, and retention.

Strategic Support: Citywide Human Resources Systems Management and Records Management, Departmental Administration, Customer Service, Personnel Management, Financial Management, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Employee Benefits Core Service	
Deferred Compensation	Manages Voluntary and Non-Voluntary Employee Deferred Compensation contributions and related non-personal and personal administrative expenses.
Dental Benefits	Manages the City's dental benefits provided to City employees and their dependents.
Medical Benefits	Manages the City's medical benefits provided to City employees and their dependents.
Other Benefits	Manages the other City benefits provided to City employees and their dependents, such as Life Insurance, Unemployment, Vision, etc.
Voluntary Employees' Beneficiary Association Plan (VEBA)	Manages the Voluntary Employees' Beneficiary Association (VEBA) Plan and related non-personal and personal administrative expenses.
Employment Services Core Service	
Classification Services	Ensures that positions are properly classified, described, and aligned to support organizational effectiveness and efficiency. In addition, this program determines appropriate salary ranges for new and existing classifications by conducting market and internal equity analyses.
Recruiting/Hiring	Manages recruitment, assessment, and hiring processes to meet the City's staffing needs. In addition, this program is responsible for managing placements, bumping, redeployment, and layoffs, as necessary.
Health and Safety Core Service	
Employee Health Services	Provides occupational medical services, including pre-employment physicals, medical testing and surveillance, blood-borne pathogen testing, and general wellness screenings.
Employee Safety	Provides comprehensive safety services for 16 City Departments, various City-wide safety trainings, and analysis of work injury data for accident prevention.
Workers' Compensation Administration	Provides state-mandated benefits for employees injured on the job.
Training and Development Core Service	
Employee Training and Development	Provides training for employees City-wide and coordination with departments to support retention and workforce development activities by engaging local educational institutions (K-12 to universities) in activities that will encourage the next generation to consider the City of San José as an attractive career opportunity.

Service Delivery Framework

PROGRAM	DESCRIPTION
Strategic Support Core Service	
Human Resources Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.
Human Resources Management and Administration	Provides city-wide Human Resources Systems Management and Records Management as well as administrative oversight for the department, including executive management, financial management, and human resources.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Hiring for Talent: Strive to maintain low vacancy rates amidst hiring slowdown by evaluating, streamlining, and innovating for effective hiring practices, creating robust digital recruitment infrastructure and campaigns, and building long-term capacity through strategic pipeline programs.
- Offer a Diverse Menu of Benefits: Improve the City's strategy for offering an attractive package of benefits to our employees, including streamlining our systems, policies, and practices to be employee-centric and efficient, and implement targeted wellness programs.
- Injury Prevention and Supporting Injured Workers: In partnership with departments, build a city-wide culture and series of programs that are focused on keeping employees safe and well. In the event of an injury, ensure that the Third-Party Administrator (TPA) for the City's Workers' Compensation Program provides responsible and appropriate workers' compensation services.
- Citywide Training and Development: Launch a Learning Management System (LMS) and prioritize a robust set of programs to complement departmental offerings and support employee growth and development.

2026-2027 Key Budget Actions

- Eliminates 1.0 filled Analyst I/II position in the Recruitment and Workforce Division that supports the workforce development pipeline and redistributes workload, including outreach, assistance with the mentorship program and the workforce pathway program, and training delivery and online learning content.
- Shifts funding for 2.0 Analyst I/II positions in the Human Resources Department from the General Fund to various Housing Funds and Development Fee Program Funds.

Operating Funds Managed

- Benefit Funds – Benefit Fund
- Benefit Funds – Dental Insurance Fund
- Benefit Funds – Life Insurance Fund
- Benefit Funds – Unemployment Insurance Fund

Human Resources Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Employee Benefits	119,154,975	133,800,465	139,872,958	139,872,958
Employment Services	4,456,176	4,610,472	4,276,864	4,280,509
Health and Safety	6,811,723	8,218,833	8,425,448	8,425,448
Strategic Support - Other - Strategic Support	1,991,025	2,159,881	2,231,405	2,284,749
Strategic Support - Strategic Support	2,050,026	2,134,131	2,087,151	2,087,151
Training and Development	2,108,395	1,909,742	1,841,178	1,629,318
Total	**$136,572,320**	**$152,833,524**	**$158,735,004**	**$158,580,133**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	10,873,201	11,323,166	11,264,788	11,056,573
Overtime	12,732	28,474	28,474	28,474
Subtotal Personal Services	$10,885,933	$11,351,640	$11,293,262	$11,085,047
Non-Personal/Equipment	6,495,081	7,387,003	7,591,337	7,591,337
Total Personal Services & Non-Personal/Equipment	**$17,381,014**	**$18,738,643**	**$18,884,599**	**$18,676,384**
Other Costs *				
City-Wide Expenses	168,365	156,000	165,000	165,000
Employee/Retiree Benefits	116,004,031	129,869,000	136,269,000	136,269,000
Housing Loans and Grants	0	0	0	0
Other	173,153	380,000	0	0
Other - Capital	0	0	0	0
Overhead Costs	449,591	610,881	564,405	617,749
Workers' Compensation	2,396,166	3,079,000	2,852,000	2,852,000
Total Other Costs	**$119,191,306**	**$134,094,881**	**$139,850,405**	**$139,903,749**
Total	**$136,572,320**	**$152,833,524**	**$158,735,004**	**$158,580,133**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Human Resources Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	16,905,938	18,386,068	18,359,745	17,787,246
Benefits Funds - Benefit Fund (160)	102,577,527	116,615,191	122,340,438	122,340,438
Benefits Funds - Dental Insurance Fund (155)	13,287,482	13,644,059	13,923,732	13,923,732
Benefits Funds - Life Insurance Fund (156)	2,100,372	2,137,168	2,148,417	2,148,417
Benefits Funds - Unemployment Insurance Fund (157)	714,684	745,328	786,216	786,216
Building Development Fee Program Fund (237)	41,069	39,980	40,374	190,776
Homeless Housing, Assistance, and Prevention Fund (454)	0	0	0	65,919
Integrated Waste Management Fund (423)	30,526	42,824	37,007	37,007
Library Parcel Tax Fund (418)	87,914	93,009	104,986	104,986
Low and Moderate Income Housing Asset Fund (346)	24,990	52,140	49,320	173,972
Planning Development Fee Program Fund (238)	27,387	26,656	26,958	63,482
Public Works Program Support Fund (150)	229,227	275,287	255,823	255,823
Real Property Transfer Tax Fund (404)	0	0	0	40,131
San José-Santa Clara Treatment Plant Operating Fund (513)	336,162	485,967	397,479	397,479
Sewer Service and Use Charge Fund (541)	29,768	59,147	54,278	54,278
Storm Sewer Operating Fund (446)	57,377	89,394	73,738	73,738
Vehicle Maintenance and Operations Fund (552)	105,018	116,736	116,030	116,030
Water Utility Fund (515)	16,879	24,570	20,463	20,463
Total	**$136,572,320**	**$152,833,524**	**$158,735,004**	**$158,580,133**
Positions by Core Service **				
Employee Benefits	12.00	13.00	13.00	13.00
Employment Services	25.00	21.00	20.00	20.00
Health and Safety	6.00	6.00	6.00	6.00
Strategic Support - Strategic Support	9.00	9.00	9.00	9.00
Training and Development	7.50	6.50	6.50	5.50
Total	**59.50**	**55.50**	**54.50**	**53.50**

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*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Human Resources Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Employee Benefits					
Deferred Compensation	1,822,633	2,463,249	2,425,886	2,425,886	1.55
Dental Benefits	13,234,551	13,587,130	13,866,535	13,866,535	1.41
Medical Benefits	84,761,188	96,674,060	102,609,349	102,609,349	6.76
Other Benefits	19,336,603	20,912,668	20,807,428	20,807,428	2.63
Voluntary Employees' Beneficiary Association Plan (VEBA)	0	163,358	163,760	163,760	0.65
Sub-Total	**119,154,975**	**133,800,465**	**139,872,958**	**139,872,958**	**13.00**
Employment Services					
Classification Services	705,228	508,405	698,444	698,444	3.00
Recruiting/Hiring	3,750,948	4,102,067	3,578,420	3,582,065	17.00
Sub-Total	**4,456,176**	**4,610,472**	**4,276,864**	**4,280,509**	**20.00**
Health and Safety					
Employee Health Services	639,827	1,096,858	1,404,236	1,404,236	1.50
Employee Safety	612,085	768,441	849,153	849,153	2.50
Workers' Compensation Administration	5,559,811	6,353,534	6,172,059	6,172,059	2.00
Sub-Total	**6,811,723**	**8,218,833**	**8,425,448**	**8,425,448**	**6.00**
Strategic Support - Other - Strategic Support					
Human Resources Other Departmental - City-Wide	156,766	40,000	65,000	65,000	0.00
Human Resources Other Operational - Administration	10,891	0	0	0	0.00
Human Resources Overhead	449,591	610,881	564,405	617,749	0.00
Workers' Compensation - Other Departments	1,373,777	1,509,000	1,602,000	1,602,000	0.00
Sub-Total	**1,991,025**	**2,159,881**	**2,231,405**	**2,284,749**	**0.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Human Resources Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Strategic Support - Strategic Support					
Human Resources Management and Administration	2,050,026	2,134,131	2,087,151	2,087,151	9.00
Sub-Total	**2,050,026**	**2,134,131**	**2,087,151**	**2,087,151**	**9.00**
Training and Development					
Employee Training and Development	2,108,395	1,909,742	1,841,178	1,629,318	5.50
Sub-Total	**2,108,395**	**1,909,742**	**1,841,178**	**1,629,318**	**5.50**
Total	**$136,572,320**	**$152,833,524**	**$158,735,004**	**$158,580,133**	**53.50**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**55.50**	**18,738,643**	**15,151,068**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget		(150,000)	(150,000)
• Recruitment & Development Staffing Reorganization (1.0 Analyst I/II)	(1.00)	(167,896)	(167,896)
• Digital Recruitment Infrastructure and Campaign		(150,000)	(150,000)
One-time Prior Year Expenditures Subtotal:	**(1.00)**	**(467,896)**	**(467,896)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		109,518	155,239
• Contract Services: Employee Health Services		314,402	314,402
• Contract Services: Worker's Compensation Claims Administration		129,009	129,009
• Contract Services: Safety Training		63,500	63,500
• Insurance: Voluntary Employee Benefits Association Fiduciary Insurance Premium		1,197	1,197
• Contract Services: Fingerprinting		1,000	1,000
• Contract Services: Voluntary Employee Benefits Association Consulting Services		833	833
• Insurance: Deferred Compensation Fiduciary Insurance Premium		(4,784)	(4,784)
• Contract Services: Deferred Compensation Consulting Services		(823)	(823)
Technical Adjustments Subtotal:	**0.00**	**613,852**	**659,573**
2026-2027 Forecast Base Budget:	**54.50**	**18,884,599**	**15,342,745**
Budget Proposals Recommended			
1. Recruitment Staffing Funding Shifts	0.00	3,645	(360,639)
2. Workforce Development Pipeline Staffing	(1.00)	(211,860)	(211,860)
Total Budget Proposals Recommended	**(1.00)**	**(208,215)**	**(572,499)**
2026-2027 Proposed Budget Total	**53.50**	**18,676,384**	**14,770,246**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Recruitment Staffing Funding Shift	**0.00**	**3,645**	**(360,639)**

Strategic Support CSA
Employment Services Core Service
Recruiting/Hiring Program

This action shifts funding for 2.0 Analyst I/II positions from the General Fund to various Housing Funds (Low and Moderate Income Housing Asset Fund, Real Property Transfer Tax Fund and Homeless Housing, Assistance, and Prevention Fund) and Development Fee Program Funds (Building Development Fee Program Fund and Planning Development Fee Program Fund). A total of two positions – one analyst position in Planning Building Code Enforcement Department and one analyst position in the Housing Department – have been eliminated to consolidate human resources responsibilities from those departments, such as leading recruitments and onboarding new employees, to be within the Human Resources Department. (Ongoing savings: $3,685)

2. Workforce Development Pipeline Staffing	**(1.00)**	**(211,860)**	**(211,860)**

Strategic Support CSA
Training and Development Core Service
Employee Training and Development Program

This action eliminates 1.0 filled Analyst I/II position in the Recruitment and Workforce Division that supports the workforce development pipeline by providing outreach efforts, assisting with the mentorship program, and the workforce pathway program designed to introduce and prepare future candidates for a City career, and supporting training delivery and online learning content. With this action, the workload will be redistributed to the remaining six positions within the Division and will result in reduced student outreach and delays in training delivery and online learning content. (Ongoing savings: $211,860)

2026-2027 Proposed Budget Changes Total	**(1.00)**	**(208,215)**	**(572,499)**

Human Resources Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Employee Benefits

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1* Cost of benefits administration per Full Time Equivalent (FTE) employee	$382	$414	$416	$428
	*PM 2* % of employees contributing to Deferred Compensation	73%	75%	75%	75%
	*PM 3* % of employees enrolled in the in-lieu of plan	18%	17%	17%	17%
	*PM 4* % of employees utilizing annual Primary Care Provider (PCP) check-ups/well visits	61%	63%	63%	65%
	*PM 5* Ratio of benefitted employees to benefits staff	746:1	768:1	561:1	578:1

Human Resources Department

Performance Summary

Employee Benefits

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Annual $ contributions to Deferred Compensation	$51.95M	$52.0M	$53.16M	$54.0M
AWH 2	# of benefit enrollments and changes processed	3,767	3,881	3,805	3,881

Data Sources: Employee Benefits

Number	Data Source
PM 1	Financial Management System | PeopleSoft | Hyperion
PM 2	Deferred Compensation Advisory Committee Financial Reports
PM 3	PeopleSoft
PM 4	Health Plan Provider Utilization Reports
PM 5	PeopleSoft
AWH 1	Deferred Compensation Advisory Committee Financial Reports
AWH 2	PeopleSoft

Human Resources Department

Performance Summary

Employment Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	City employee gender compared to community demographics[1]				
PM 1	- Female	39.9%	40.4%	40.4%	40.4%
	- Male	58.9%	58.5%	58.5%	58.5%
	- Nonbinary	0.2%	0.2%	0.2%	0.2%
	- Prefer not to state	1.0%	0.9%	0.9%	0.9%
PM 2	% of employees hired that are:				
	- Internal hires	45.0%	54.0%	43.0%	54.0%
	- External hires	55.0%	46.0%	57.0%	46.0%

[1] City employee demographic data is self-identified with the option to opt out.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
	# of positions filled:				
AWH 1	- New Hires	402	400	362	400
	- Promotions & Laterals	516	500	473	500
	# of hired employees that are:				
AWH 2	- External hires	886	600	771	600
	- Internal hires	719	700	591	700

Data Sources: Employment Services

Number	Data Source
PM 1	PeopleSoft
PM 2	PeopleSoft
AWH 1	PeopleSoft
AWH 2	PeopleSoft

Human Resources Department

Performance Summary

Health and Safety

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	Expenditure for Workers' Compensation per $100 of total City salaries, benefits, and retirement	$3.20	$3.32	$2.91	$3.32
PM 2	% of unduplicated employees trained in safety	54%	38%	35%	38%
PM 3	Rate of injuries and illnesses per 100 full-time workers (Total Recordable Incident Rate)	9.00	8.80	9.00	8.80

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of total Workers' Compensation claims:				
	- Open	2,469	2,600	2,600	2,600
	- New	854	1,050	1,100	1,050
	- Closed	978	1,050	1,150	1,050
	- Costs	$29.4M	$28.4M	$31.9M	$28.2M
AWH 2	# of Workers' Compensation disability hours	190,668	149,920	266,398	149,920

Data Sources: Health and Safety

Number	Data Source
PM 1	Financial Management System | PeopleSoft | Hyperion
PM 2	Department Safety Officers
PM 3	OSHA 300 logs
AWH 1	Third-Party Administrator | Financial Management System | Hyperion
AWH 2	PeopleSoft

Human Resources Department

Performance Summary

Training and Development

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★	*PM 1*	% employees rating the effectiveness of training classes as "good" to "excellent"	99.5%	80%	75%	80%
★★★	*PM 2*	% attendees who say that the training class met their objectives	99%	80%	75%	80%
	*PM 3*	Annual Human Resources training investment per employee (sworn and non-sworn)[1]	$210	$200	$166	$170

[1] The 2025-2026 Estimate includes a decrease to the training investment per employee to support services in the Employment Division.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Trainings:				
	- # of unique courses offered	32	22	20	22
	- # of training hours provided	316	525	500	525
	- # of training registrations processed	1,647	1,675	1,650	1,675
	- # of training attendees	1,593	1,600	1,550	1,600
AWH 2	# of career-related outreach events:				
	- # of events	61	35	30	35
	- # of participants	6,593	2,750	5,000	5,000
AWH 3	# of employees engaged in Citywide Mentorship Program	399	350	300	350

Data Sources: Training and Development

Number	Data Source
PM 1	Post-instruction surveys
PM 2	Post-instruction surveys
PM 3	Financial Management System | PeopleSoft | Hyperion
AWH 1	Instructor attendance tracking
AWH 2	Instructor attendance tracking
AWH 3	Instructor attendance tracking

Human Resources Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	21.00	19.00	(2.00)
Assistant Director	1.00	1.00	-
Director, Human Resources	0.50	0.50	-
Division Manager	4.00	4.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	2.00	2.00	-
Program Manager	2.00	2.00	-
Senior Analyst	12.00	12.00	-
Senior Office Specialist	2.00	2.00	-
Staff Specialist	8.00	8.00	-
Total Positions	**55.50**	**53.50**	**(2.00)**

Office of the Independent Police Auditor

Eddie Aubrey, Independent Police Auditor

MISSION

To provide independent oversight of police misconduct investigations to ensure fairness, thoroughness, and objectivity

CITY SERVICE AREA

Public Safety

CORE SERVICES

INDEPENDENT POLICE OVERSIGHT

Independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing internal and external misconduct investigations, preparing annual public report, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, review of use of force incidents resulting in great bodily injury, and conducting community outreach and engagement.

Strategic Support: Administrative Support, Independent Police Auditor Emergency Response and Recovery

Office of the Independent Police Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
Independent Police Oversight Core Service	
Oversight of Police Misconduct Complaints and Public Outreach	Provides independent civilian oversight of the San José Police Department (SJPD) by taking in complaints from members of the public about San José police officers, auditing internal and external misconduct investigations, preparing an annual public report, making recommendations to improve SJPD policies, participating in the Department's review of officer-involved shooting incidents, review of use of force incidents resulting in great bodily injury, and conducting community outreach and engagement.
Strategic Support Core Service	
IPA Management and Administration	Provides administrative oversight for the department, including financial management, human resources, and analytical support.
Independent Police Auditor Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Provide mandated oversight services: conduct community outreach, perform intake of complaints from the public, audit the San José Police Department's (SJPD) Internal Affairs complaint investigations, and make recommendations to improve SJPD policies and procedures.
- Review and analyze SJPD's Use of Force reports and officer-involved shooting incidents.
- Leverage a mix of traditional and technological community engagement tools (e.g., social media, informational flyers/updates) to connect and reach residents of San José with an emphasis on racial equity.

2026-2027 Key Budget Actions

- N/A

Operating Funds Managed

N/A

Office of the Independent Police Auditor

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Independent Police Oversight	1,347,326	1,528,398	1,548,089	1,548,089
Strategic Support - Other - Public Safety	13	0	0	0
Strategic Support - Public Safety	1,262	136,943	139,046	139,046
Total	**$1,348,601**	**$1,665,341**	**$1,687,135**	**$1,687,135**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	1,323,516	1,638,483	1,660,277	1,660,277
Overtime	0	1,000	1,000	1,000
Subtotal Personal Services	$1,323,516	$1,639,483	$1,661,277	$1,661,277
Non-Personal/Equipment	25,072	25,858	25,858	25,858
Total Personal Services & Non-Personal/Equipment	**$1,348,588**	**$1,665,341**	**$1,687,135**	**$1,687,135**
Other Costs *				
City-Wide Expenses	13	0	0	0
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	**$13**	**$0**	**$0**	**$0**
Total	**$1,348,601**	**$1,665,341**	**$1,687,135**	**$1,687,135**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the Independent Police Auditor

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	1,348,601	1,665,341	1,687,135	1,687,135
Total	**$1,348,601**	**$1,665,341**	**$1,687,135**	**$1,687,135**
Positions by Core Service **				
Independent Police Oversight	6.50	6.50	6.50	6.50
Strategic Support - Public Safety	0.50	0.50	0.50	0.50
Total	**7.00**	**7.00**	**7.00**	**7.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of the Independent Police Auditor

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Independent Police Oversight					
Oversight of Police Misconduct Complaints and Public Outreach	1,347,326	1,528,398	1,548,089	1,548,089	6.50
Sub-Total	**1,347,326**	**1,528,398**	**1,548,089**	**1,548,089**	**6.50**
Strategic Support - Other - Public Safety					
Independent Police Auditor Other Departmental - City-Wide	13	0	0	0	0.00
Sub-Total	**13**	**0**	**0**	**0**	**0.00**
Strategic Support - Public Safety					
Independent Police Auditor Management and Administration	1,262	136,943	139,046	139,046	0.50
Sub-Total	**1,262**	**136,943**	**139,046**	**139,046**	**0.50**
Total	**$1,348,601**	**$1,665,341**	**$1,687,135**	**$1,687,135**	**7.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Office of the Independent Police Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**7.00**	**1,665,341**	**1,665,341**
Base Adjustments			
One-time Prior Year Expenditures Deleted			
• NONE			
One-time Prior Year Expenditures Subtotal:	**0.00**	**0**	**0**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/Benefit changes		21,794	21,794
Technical Adjustments Subtotal:	**0.00**	**21,794**	**21,794**
2026-2027 Forecast Base Budget:	**7.00**	**1,687,135**	**1,687,135**
Budget Proposals Recommended			
• NONE			
Total Budget Proposals Recommended	**0.00**	**0**	**0**
2026-2027 Proposed Budget Total	**7.00**	**1,687,135**	**1,687,135**

Office of the Independent Police Auditor

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Independent Police Oversight

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of Independent Police Auditor recommendations accepted by Police Chief to change policy	83%	100%	80%	80%
 *PM 2*	% of San José Police Department Internal Affairs Investigation interviews attended by Independent Police Auditor	99%[1]	100%	95%	100%
 *PM 3*	% of San José Police Department Use of Force Reports:				
	- Reviewed and analyzed by Independent Police Auditor	100%	100%	100%	100%
	- Included in Independent Police Auditor Annual Report	100%	100%	100%	100%

[1] Measures only the IPA attendance at Subject Officers' interviews not including Witness Officers' interviews.

Office of the Independent Police Auditor

Performance Summary

Independent Police Oversight

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of classified complaints:				
	- Received	470	360	444	450
	- Audited	270	305	293	310
AWH 2	# of outreach presentations/events and	58	52	56	65
	- Total (#) [1]	6,408	5,000	3,100	3,500
	- To youth (#) [2]	1,448	1,400	1,000	1,200
	- To immigrant and minority communities (#) [2]	3,215	1,500	2,400	2,800
AWH 3	# of Independent Police Auditor policy recommendations:				
	- Recommendations made to Police Chief	12	5	15	12
	- Accepted by Police Chief to change policy	10	5	15	12
AWH 4	# of San José Police Department Internal Affairs Investigation interviews:				
	- Investigation Interviews conducted	170	350	176	170
	- Attended by Independent Police Auditor	170	350	170	170
AWH 5	# of San José Police Department Use of Force Reports:				
	- Reviewed and analyzed by Independent Police Auditor	14	10	8	8
	- Included in Independent Police Auditor Annual Report	13	10	3	14

[1] Higher 2024-2025 attendance is attributable to introductory meetings with a wide range of community organizations and stakeholders, which has since normalized.

[2] Subtotals include attendees that may belong in both youth and immigrant and minority communities categories.

Data Sources: Independent Police Oversight

Number	Data Source
PM 1	IPA 2024 Year End Report
PM 2	Data regarding officers' interview invitations and IPA attendance at the interviews was obtained from the IPA Audit Tracker application, IAPro database, and internal tracking (SmartSuite).
PM 3	Data on the Use of Force Reports was extracted from IAPro database.
AWH 1	Data regarding received complaints was retrieved from the IAPro database, and data on audited complaints was obtained from the IPA Audit Tracker application and IPA internal tracking (SmartSuite).
AWH 2	Data pertaining of outreach presentations/events were collected and retrieved from IPA's internal tracking.
AWH 3	IPA 2024 Year End Report
AWH 4	Data regarding officers' interview invitations and IPA attendance at the interviews was obtained from the IPA Audit Tracker application and IAPro database.
AWH 5	Data on the Use of Force Reports include Officer Involved-Shootings (OIS) and Great Bodily Injuries (GBI) incidents only. The data was extracted from IAPro database.

Office of the Independent Police Auditor

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Analyst I/II, Independent Police Auditor	2.00	2.00	-
Assistant Independent Police Auditor	1.00	1.00	-
Independent Police Auditor	1.00	1.00	-
Office Specialist I/II	1.00	1.00	-
Senior Analyst, Independent Police Auditor	2.00	2.00	-
Total Positions	**7.00**	**7.00**	**0.00**

Information Technology Department

Khaled Tawfik, Chief Information Officer

MISSION

Deliver the technologies and data that help sustain an equitable, engaged, effective, and resilient City

CITY SERVICE AREA

Strategic Support

CORE SERVICES

BUSINESS SOLUTIONS

Deliver technology solutions that support superior municipal services and achieve the City of San José Smart City Vision, successfully achieve business goals, sustain, and optimize the City's technology portfolio, enable continuous innovation throughout the organization through civic technologies and partnerships.

SAN JOSE 311

Serve as the City's central customer contact resource for San José residents, provide City information and services to residents, businesses, utilities customers, and employees, support amazing customer experiences through open data, mobile application, online, chat, virtual agent, social, and public network platforms.

TECHNOLOGY INFRASTRUCTURE AND OPERATIONS

Support superior municipal services through reliable, high-performance, and secure technology services, provide technology infrastructure for business solutions, analytics, data/voice/video communications, plan and coordinate services that sustain City operations.

Strategic Support: Information Technology and Management, and Emergency Response and Recovery

Department Budget Summary

PROGRAM	DESCRIPTION
Business Solutions Core Service	
Business Automation and Development	Develops, implements, and supports software applications and system integrations for multi-departmental to Division level business solutions. These business solutions are required to directly support specific City operations.
Data Services	Enables data administration, use, analytics, transparency, and reporting by staff and the public, through strong data platforms, tools, and support.
Enterprise Resource Management	Manages and supports the use of Human Resources, Payroll, Talent, Financials, Budgeting, and Tax Systems impacting all City personnel and fiscal actions. Enables data transparency, analytics, decision-support, and reporting by staff and the public.
Productivity and Collaboration Applications	Administers and supports citywide use of collaboration and productivity software that multiply the efficiency and effectiveness of City contributors. Collaboration tools enhance group performance through information access, tracking assignments through delivery, and in-group communications. Productivity solutions enable work with high efficiency through documents, spreadsheets, analytics, presentations, electronic messaging, and mobile work enhancement. Business process automation services digitize City workflows to process faster, with less staff time, and with auditability.
San José 311 Core Service	
City Customer Contact Center	Serves as the digital contact point for the majority of non-emergency interactions with the City's residents and businesses as San José 311. Intakes and processes utility billing cases. Provides access to City information and offices via mobile, chat, online portal, and telephone means. Coordinates across departments to administer main call trees, the frequently asked questions manifest, and response scripts. Administers overflow vendor contract(s) for after-hours and special events call handling.
Technology Infrastructure and Operations Core Service	
Cybersecurity Office	Secures City information and systems assets to ensure business value, compliance, and resilience for all departments. Serves as incident response command for cyber disasters. Leads planning, testing, and attesting for City information and systems assurance activities.
IT Customer Care	Supports the customer-side use of information and communications technologies by City staff across all departments, including computers and mobile devices. Resolves Help Desk service requests. Supports City employees and contractors in working remotely effectively.
IT Systems and Operations	Administers and supports the underlying data/voice/video network, hardware systems, storage resources, virtualization, and cloud services fabric on which City software, communications, and collaboration solutions are built.
Voice and Data Network Infrastructure	Manages citywide telephone costs, charges/billing, procurement, enterprise voice, and data network infrastructure for quality voice and data communication abilities.

Department Budget Summary

PROGRAM	DESCRIPTION
Strategic Support Core Service	
Information Technology Management and Administration	Provides strategic direction, analytical insights, and administrative support for departmental activities. Manages all fiscal activities, directs budget development and implementation, and administers IT-related policy adherence. Manages personnel functions for the department, including hiring, employee development, discipline, and personnel transactions, all in coordination with the Human Resources Department and Office of Employee Relations. Provides oversight and status reporting for strategic technology deployments in the City.
Information Technology Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Champion and execute City priorities and equity solutions using technology and data to transform City services. Provide the data and analytics for departments to drive towards decision-making informed by data.
- Provide resilient City services against the increasing level of emerging cybersecurity threats and attacks, as well as mitigate cyber risk for the City and neighboring communities. Successfully pass all regulatory, financial, technical, and cybersecurity audits. Minimize risks of evolving cybersecurity threats to prevent outages and operational disruption, lost trust, and financial loss.
- Maximize efficiencies and the impact of limited resources through service innovation in partnership with City departments. Provide a City technology environment that is technically sound, operationally strong, secure, and fiscally optimized. Maintain a long-range architecture that maps the City's key technology transitions and investments.
- Support the City's digital environment by expanding online public engagement and integrating advanced collaborative tools. Incorporate customer-centric experience into the design and operation of technology products. Enhance and improve the City's redundancy and disaster recovery posture through highly available virtualized technology and City-owned fiber infrastructure. Automate and optimize the City's common business processes to ease the lives of staff, residents, and businesses.
- Execute City priorities through masterful partnership and procurement. Work with City departments and Purchasing Program to execute technology procurements and contracts with speed, value, transparency, and fairness.
- Respond to service requests and inquiries from San José residents and businesses, achieving high customer experience ratings through robust San José 311 (SJ311) access spanning phone, mobile app, direct chat, virtual agent, and online portal channels.

2026-2027 Key Budget Actions

- Adds one-time non-personal/equipment funding of $5 million, from previously set aside funds in the Information Technology Sinking Fund Reserve, to replace end-of-life network, computers, and mobile devices across various City departments.
- Adds 1.0 Enterprise Supervising Technology Analyst (ESTA) position and extends 1.0 Analyst I/II position, both limit-dated through June 30, 2028, and one-time non-personal/equipment funding of $54,000 to support the targeted integration of artificial intelligence tools to optimize the cost-effective delivery of City services.
- Adds 1.0 Enterprise Principal Technology Analyst position and ongoing non-personal/equipment funding of $340,000 to support cybersecurity operations.
- Adds one-time non-personal/equipment funding of $400,000 to transition 80 automation workflows to a new Information Technology Service Management (ITSM) solution.
- Adds ongoing non-personal/equipment funding of $276,000 to expand and transition SJ311 to a new platform; support the implementation of the Customer Experience Transformation, as part of the multi-year effort to implement the City Council-approved Customer Service Vision and Standards to deliver services more reliably, reduce inefficiencies, and strengthen public trust.
- Continues 1.0 Public Information Manager position, limit-dated through June 30, 2027, to lead public outreach and media engagement related to information technology services.

Operating Funds Managed: N/A

Information Technology Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Business Solutions	15,775,510	16,080,240	15,509,673	16,371,449
San José 311	3,315,575	4,152,067	3,958,979	4,234,979
Strategic Support - Other - Strategic Support	366,480	1,089,349	946,269	946,269
Strategic Support - Strategic Support	7,099,304	6,201,562	5,722,712	6,310,610
Technology Infrastructure and Operations	14,881,457	16,716,047	13,538,546	19,399,600
Total	**$41,438,326**	**$44,239,265**	**$39,676,179**	**$47,262,907**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	25,484,101	26,423,515	26,594,185	27,398,913
Overtime	168,261	132,568	144,112	144,112
Subtotal Personal Services	$25,652,362	$26,556,083	$26,738,297	$27,543,025
Non-Personal/Equipment	13,469,436	15,851,370	11,991,613	18,773,613
Total Personal Services & Non-Personal/Equipment	**$39,121,798**	**$42,407,453**	**$38,729,910**	**$46,316,638**
Other Costs *				
City-Wide Expenses	1,890,390	855,463	0	0
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	426,138	976,349	946,269	946,269
Total Other Costs	**$2,316,528**	**$1,831,812**	**$946,269**	**$946,269**
Total	**$41,438,326**	**$44,239,265**	**$39,676,179**	**$47,262,907**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Information Technology Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	35,473,544	36,286,874	32,221,619	39,808,347
Airport Maintenance and Operation Fund (523)	42,631	209,774	212,216	212,216
Building Development Fee Program Fund (237)	2,016,613	2,439,517	2,221,031	2,221,031
Citywide Planning Fee Program Fund (239)	381,447	197,757	196,378	196,378
Federated Retirement Funds	0	65,089	68,771	68,771
Fire Development Fee Program Fund (240)	261,277	273,622	261,951	261,951
General Purpose Parking Fund (533)	17,980	28,351	22,306	22,306
Integrated Waste Management Fund (423)	725,436	1,522,431	1,487,889	1,487,889
Low and Moderate Income Housing Asset Fund (346)	279,777	272,843	278,344	278,344
Planning Development Fee Program Fund (238)	202,757	221,435	207,205	207,205
Police and Fire Retirement Funds	0	65,089	68,771	68,771
Public Works Development Fee Program Fund (241)	418,291	447,535	383,635	383,635
Public Works Program Support Fund (150)	114,129	123,324	108,488	108,488
San José Clean Energy Operating Fund (501)	237,226	275,328	278,601	278,601
San José-Santa Clara Treatment Plant Operating Fund (513)	117,911	223,968	167,295	167,295
Sewer Service and Use Charge Fund (541)	152,121	226,601	195,927	195,927
South Bay Water Recycling Operating Fund (570)	522	521	521	521
Storm Sewer Operating Fund (446)	143,602	248,056	191,731	191,731
Vehicle Maintenance and Operations Fund (552)	53,779	6,683	630	630
Water Utility Fund (515)	719,970	976,007	960,434	960,434
Capital Funds	79,313	128,460	142,436	142,436
Total	**$41,438,326**	**$44,239,265**	**$39,676,179**	**$47,262,907**
Positions by Core Service **				
Business Solutions	35.00	33.00	33.00	33.00
San José 311	17.00	20.00	20.00	21.00
Strategic Support - Strategic Support	25.00	24.00	22.00	24.00
Technology Infrastructure and Operations	34.00	35.00	34.00	34.00
Total	**111.00**	**112.00**	**109.00**	**112.00**

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*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Information Technology Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Business Solutions					
Business Automation and Development	4,303,751	4,071,438	4,021,867	4,421,867	11.00
Data Services	1,272,131	1,638,729	1,350,006	1,562,006	3.00
Enterprise Resource Management	5,204,115	5,794,153	5,651,564	5,901,340	13.00
Productivity and Collaboration Applications	4,995,513	4,575,920	4,486,236	4,486,236	6.00
Sub-Total	**15,775,510**	**16,080,240**	**15,509,673**	**16,371,449**	**33.00**
San José 311					
City Customer Contact Center	3,315,575	4,152,067	3,958,979	4,234,979	21.00
Sub-Total	**3,315,575**	**4,152,067**	**3,958,979**	**4,234,979**	**21.00**
Strategic Support - Other - Strategic Support					
Information Technology Other Departmental - City-Wide	231,837	113,000	0	0	0.00
Information Technology Other Operational - Administration	37,211	0	0	0	0.00
Information Technology Overhead	97,432	976,349	946,269	946,269	0.00
Sub-Total	**366,480**	**1,089,349**	**946,269**	**946,269**	**0.00**
Strategic Support - Strategic Support					
Information Technology Emergency Response and Recovery	372,573	17,000	0	0	0.00
Information Technology Management and Administration	6,726,731	6,184,562	5,722,712	6,310,610	24.00
Sub-Total	**7,099,304**	**6,201,562**	**5,722,712**	**6,310,610**	**24.00**
Technology Infrastructure and Operations					
Cybersecurity Office	3,821,797	4,089,076	4,192,381	4,946,621	8.00
IT Customer Care	5,915,971	5,047,793	4,754,229	6,517,464	14.00

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

** 2024-2025 Actuals may not subtotal due to rounding.

Information Technology Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
IT Systems and Operations	2,389,763	4,402,288	2,094,185	2,394,185	6.00
Voice and Data Network Infrastructure	2,753,926	3,176,890	2,497,751	5,541,330	6.00
Sub-Total	**14,881,457**	**16,716,047**	**13,538,546**	**19,399,600**	**34.00**
Total	**$41,438,326**	**$44,239,265**	**$39,676,179**	**$47,262,907**	**112.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Information Technology Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Proposed to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**112.00**	**42,407,453**	**35,431,411**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(820,000)	(820,000)
• Customer Services Vision and Standards Staffing (1.0 Enterprise Supervising Technology Analyst)	(1.00)	0	0
• Hyperconverged Infrastructure Refresh		(2,293,517)	(2,036,752)
• Public Information Staffing (1.0 Public Information Manager)	(1.00)	(274,001)	(274,001)
• PeopleSoft Update Manager Upgrade		(195,000)	(195,000)
• Oracle Database Appliances		(169,000)	(101,000)
• AI Digital Privacy Staffing (1.0 Analyst I/II)	(1.00)	(164,506)	(164,506)
• AMANDA Permitting System		(150,000)	(30,000)
• San José 311 Program Support and Staffing		(39,767)	6,765
• Cybersecurity Staffing and Services		(35,000)	(38,851)
One-time Prior Year Expenditures Subtotal:	**(3.00)**	**(4,140,791)**	**(3,653,345)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Senior Analyst to 1.0 Senior Systems Applications Programmer	0.00	239,670	274,953
• Vacancy Factor Adjustment		267,818	213,840
• Software/Information Services: OneCity Workplace		38,327	38,327
• Software/Information Services: Virtual Security Operations Center		29,730	29,730
• Software/Information Services: Microsoft Unified Support		26,203	26,203
• Software/Information Services: Application Tracking System (NeoGov) Maintenance		12,000	12,000
• Software/Information Services: Financial Management System (FMS) Maintenance/Support		8,000	8,000
• Software/Information Services: Timekeeping Solutions		8,000	8,000
• Software/Information Services: Budgeting System (Hyperion) Licenses		7,000	7,000
• Software/Information Services: Emergency Operations Center Phone Service		6,000	6,000
• Software/Information Services: CheckPoint Licenses and Support		6,000	6,000
• Software/Information Services: Mulesoft Licenses		3,000	2,000
• Vehicle Operations & Maintenance		2,500	2,500
• Fund Shift: GASB Statement No. 94 Subscription		0	0
• Software/Information Services: Microsoft Office 365 Licenses		(115,000)	(115,000)
• Software/Information Services: Application and Network Support		(76,000)	(76,000)
Technical Adjustments Subtotal:	**0.00**	**463,248**	**443,553**
2026-2027 Forecast Base Budget:	**109.00**	**38,729,910**	**32,221,619**

Information Technology Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Proposed to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Budget Proposals Recommended			
1. Information Technology Equipment Refresh		5,000,000	5,000,000
2. Privacy and AI Automation Staffing	2.00	824,627	824,627
3. Cybersecurity Operations Staffing and Services	1.00	554,240	554,240
4. Automated Workflow Migration		400,000	400,000
5. Disaster Recovery		300,000	300,000
6. San José 311 Migration		276,000	276,000
7. Public Information Staffing (Continuation)	1.00	249,264	249,264
8. Database Appliances Hardware Refresh		212,000	212,000
9. Firewall Refresh		200,000	200,000
10. Customer Experience Transformation	1.00	0	0
11. Budget and Finance Applications Support Staffing	(1.00)	(236,217)	(236,217)
12 Help Desk Staffing	(1.00)	(193,186)	(193,186)
Total Budget Proposals Recommended	**3.00**	**7,586,728**	**7,586,728**
2026-2027 Proposed Budget Total	**112.00**	**46,316,638**	**39,808,347**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Information Technology Equipment Refresh		**5,000,000**	**5,000,000**

Strategic Support CSA
Technology Infrastructure and Operations Core Service
IT Customer Care and Voice and Data Network Infrastructure Programs

This action adds one-time non-personal/equipment funding of $5.0 million in the General Fund to replace approximately 22% of the City's aging network devices (network radios, switches, and access points), computers (laptops and desktops), and mobile devices (cellphones and tablets) across various City departments. These devices have reached or are approaching their end-of-life support in 2026-2027 and will be prioritized to be replaced to prevent the City from having unsupported technology equipment that is vulnerable to cyber threats, compromised data integrity, and impacts to essential City functions. The cost is offset by funds previously allocated to the Information Technology Sinking Fund Reserve, which after accounting for this and other actions included in the Proposed Budget, will have a remaining balance of $1.9 million. Approximately $3.0 to $4.0 million annually is needed in the General Fund to replace technology equipment reaching end-of-life over the next five years. The department will finalize a replacement schedule for the technology equipment and the ongoing funding for the replacements will be considered during the 2027-2028 budget development process. (Ongoing costs: $0)

2. Privacy and AI Automation Staffing	**2.00**	**824,627**	**824,627**

Strategic Support CSA
Business Solutions Core Service
Enterprise Resource Management Program
Strategic Support – Strategic Support Core Service
Information Technology Management and Administration Program

This action adds 1.0 Enterprise Supervising Technology Analyst (ESTA) position and extends 1.0 Analyst I/II position, both limit-dated through June 30, 2028, and one-time non-personal/equipment funding of $54,000 to support the targeted integration of artificial intelligence (AI) tools to drive efficiency and optimize the cost-effective delivery of City services. The ESTA position will support technical efforts to automate manual, time-consuming processes, freeing up staff capacity. Funding is also provided for the annual license costs for this platform over the two-year period. Software automation AI tools are used to automate repetitive, rule-based tasks such as invoicing, data entry, and system integration across various applications. The Analyst position will advance City-wide AI efforts focused on improving operational efficiency, reducing costs, and supporting responsible innovation across departments. Examples of projects include enhancements to San José 311 for the AI object detection project to expand the ability to detect objects including abandoned vehicles, streetlight outages, and shopping carts, and to notify Call Center staff to manually enter requests into SJ311 with future goals of AI being able to automatically create and submit the notification tickets; and improvements for the Road Safety Detection expansion project to potentially identify certain types of graffiti and notify the authorities of potential criminal activities. The allocated funding will be spent over a two-year period. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Cybersecurity Operations Staffing and Services	**1.00**	**554,240**	**554,240**

Strategic Support CSA
Technology Infrastructure and Operations Core Service
Cybersecurity Office Program

This action adds 1.0 Enterprise Principal Technology Analyst position and ongoing non-personal/equipment funding of $340,000 to support cybersecurity operations. This position will provide leadership for enterprise cybersecurity functions, strengthening the City's ability to prevent, detect, and respond to evolving threats, coordinate incident response across departments, and enhance the overall security and resilience of critical systems and services. The associated funding of $340,000 supports multiple cybersecurity initiatives focused on improving system protection, reducing risk exposure, and advancing the City's overall security posture. (Ongoing costs: $597,086)

4. Automated Workflow Migration		**400,000**	**400,000**

Strategic Support CSA
Business Solutions Core Service
Business Automation and Development Program

This action adds one-time non-personal/equipment funding of $400,000 to secure a consultant to transition 80 automation workflows to a new Information Technology Service Management (ITSM) solution. The consultant will deliver specialized expertise to redesign, test, and migrate automation processes, including mobile device request authorization, invoice routing and approval within the Information Technology Department, facilitating Management Performance Program (MPP) evaluations through a structured review process for departments prior to submittal to the Human Resources Department, travel requests, and setting up user access and vendor details in the Financial Management System in the Finance Department. These services will enable the consolidation of two systems, streamline business processes, and ensure compliance within the workflow automation platform. The one-time cost is offset by funds previously allocated to the Information Technology Sinking Fund Reserve. This is a multi-year project and upon completing the migration, savings from consolidating the two systems is projected at $250,000 annually. (Ongoing costs: $0)

5. Disaster Recovery		**300,000**	**300,000**

Strategic Support CSA
Technology Infrastructure and Operations Core Service
IT Systems and Operations Program

This action adds ongoing non-personal/equipment funding of $300,000 for the implementation of a Disaster Recovery (DR) system. The DR system will enable the City to protect a core set of critical applications by providing the ability to restore critical city-wide business applications in the cloud. The estimated annual cost to maintain the DR recovery infrastructure for the critical systems is $300,000; however, the ongoing cost will be reassessed as part of the next budget process for possible expansion or reduction, subject to available funding. The cost is offset by a reduction to the Information Technology Sinking Fund Reserve. (Ongoing costs: $300,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
6. San José 311 Migration		**276,000**	**276,000**

Strategic Support CSA
San José 311 Core Service
City Customer Contact Center Program

As directed by the City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, this action adds ongoing non-personal/equipment funding of $276,000 as San José 311 (SJ311) expands and transitions to a fully in-house application to meet City Council and community expectations anticipated to be completed in spring 2027. Ongoing funds are needed for additional licenses for users ($100,000); additional license costs to integrate SJ311 with other systems such as Park concerns, Encampment Concerns, and other future SJ311 integrations ($70,000); an Identity Directory Management to manage users accounts across multiple internal platforms ($70,000); and the cost of cloud hosting servers as SJ311 transitions from the previous platform servers to the new platform ($36,000). The new platform will be able to allow residential users to submit requests, check case status, receive real-time notifications, and allow staff to configure case intake, cross-departmental routing, workflow automation, and access to a reporting suite that gives staff and managers real-time visibility into service request volume, response times, and performance insights. (Ongoing costs: $276,000)

7. Public Information Staffing (Continuation)	**1.00**	**249,264**	**249,264**

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Information Technology Management and Administration Program

This action continues 1.0 Public Information Manager position, limit-dated through June 30, 2027. This position will continue to lead public outreach and media engagement related to information technology services, focusing on promoting San José 311 services and AI initiatives; support emergency preparedness by developing and conducting emergency response communications training for City communications personnel; oversee digital communication platforms such as managing and updating the Information Technology Department's website and ensuring compliance with accessibility standards; identify and apply for technology and emergency management grants, as well as manage the grant reporting and coordination for grant funded activities; and lead internal communication efforts that inform and train City staff about technology, cybersecurity, and emergency preparedness initiatives, among other things. (Ongoing costs: $0)

8. Database Appliances Hardware Refresh		**212,000**	**212,000**

Strategic Support CSA
Business Solutions Core Service
Data Services Program

This adds one-time non-personal/equipment funding of $212,000 to replace the final two database server appliances left to be refreshed. The City began replacing the six database server appliances in fall 2024, which will reach the end-of-life by the end of 2026-2027. The replacement of these database server appliances will ensure the City has continuous high performance, availability, and security for the City's infrastructure hosted by these devices. The cost is offset by a reduction to the Information Technology Sinking Fund Reserve. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Firewall Refresh		**200,000**	**200,000**

Strategic Support CSA
Technology Infrastructure and Operations Core Service
Cybersecurity Office Program

This action adds one-time non-personal/equipment funding of $200,000 to modernize critical network security infrastructure. These investments will strengthen the City's ability to safeguard its technology environment, support continued system reliability, and ensure alignment with current security standards and vendor support requirements. The cost is offset by funds previously allocated to the Information Technology Sinking Fund Reserve. (Ongoing costs: $0)

10. Customer Experience Transformation	**1.00**	**0**	**0)**

Strategic Support CSA
San José 311 Core Service
City Customer Contact Center Program

This action adds 1.0 Enterprise Supervising Technology Analyst (ESTA) position, limit-dated through June 30, 2028, to support the Customer Experience (CX) Transformation effort. As described in the City-Wide Expenses section of this document, one-time funding of $3.9 million is allocated for the continued implementation of the CX Transformation, as part of the multi-year effort to implement the City Council-approved Customer Service Vision and Standards. The goal of the CX Transformation is to deliver services more reliably, reduce inefficiencies, and strengthen public trust. Currently, customers access 18 City services through San José 311 (SJ 311), while another 200+ services must be accessed through a variety of means across numerous departments – there is no centralized clearing house for all customer interactions with City services. The CX Transformation will: 1) facilitate the integration of SJ 311 onto a new, organization-wide Customer Relationship Management (CRM) system that provides a 360-degree view of customer concerns and service requests; 2) establish clear lines of communication and collaboration for customer service within and across departments; 3) develop clear roles and streamlined workflows for cross-departmental customer handoffs; and 4) institute regular performance monitoring and benchmarking to iteratively improve customer service outcomes. At the end of the project in 2027-2028, SJ 311 will serve as the City's single digital front door for customer service requests – incorporating a significant portion of the 200+ services into one access point – and the CRM will allow for the efficient dispatching of City services to address customer requests and provide clear and accountable follow-up.

This ESTA position, along with 1.0 Assistant to the City Manager, 1.0 Deputy Director, and 1.0 Senior Executive Analyst position in the City Manager's Office, also limit-dated through June 30, 2028, will support project implementation and provide cross-departmental coordination. Implementation of the CRM is also supported by specialized professional services and software licensing. The ongoing cost of the CX Transformation will be informed by lessons learned through the two-year implementation period and brought forward as part of the 2028-2029 Proposed Budget development process. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
11. Budget and Finance Applications Support Staffing	**(1.00)**	**(236,217)**	**(236,217)**

Strategic Support CSA
Business Solutions Core Service
Enterprise Resource Management Program

This action eliminates 1.0 vacant Enterprise Supervising Technology Analyst position that supports budget and financial applications. This position provides technical support for various applications, including the City's budgeting system, the Utility Billing system, and the Business Tax system. The position has been difficult to recruit and fill, and the technical support has been absorbed within the existing team, which has caused delays in resolving application and reporting issues, as well as limits the distribution of application expertise in the department. (Ongoing savings: $236,217)

12. Help Desk Staffing	**(1.00)**	**(193,186)**	**(193,186)**

Strategic Support CSA
Technology Infrastructure and Operations Core Service
IT Customer Care Program

This action eliminates 1.0 filled Network Technician position from the Help Desk team. This position works in a team of 10 and supports all departments except for nine departments, which have their own Help Desk staff (Airport, Attorney, Environmental Services, Fire, Library, Police, Public Works, Retirement, and Transportation Department). The Network Technician performs such duties as answering Help Desk phone calls, resolving basic and mid-level problems for City applications and services, troubleshooting problems, creating/updating/closing tickets, verifying the customer's identity for password issues, escalating tickets as needed, and helping drop-in clients to the Help Desk area asking for assistance with Microsoft or issues with their laptop or desktop. Elimination of this position impacts the remaining team to take on a greater workload and will increase resolution time from 2.5 days to 2.75 days. (Ongoing savings: $193,186)

2026-2027 Proposed Budget Changes Total	**3.00**	**7,586,728**	**7,586,728**

Information Technology Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Business Solutions

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of payroll cycles completed in three days	100%	100%	100%	100%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of business systems managed:				
	- Critical	18	18	18	18
	- Essential	44	43	45	45
AWH 2	# of successful financials cycles closed on systems	16	16	16	16
AWH 3	# of successful payroll cycles processed on systems	26	26	26	26

Data Sources: Business Solutions

Number	Data Source
PM 1	PeopleSoft
AWH 1	Information Technology Department Citywide Apps Managed Tracking List
AWH 2	Financial Management System
AWH 3	PeopleSoft

Performance Summary

San José 311

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	PM 1 % of Customer Contact Center contacts answered[1]	96.0%	95.0%	98.1%	95.0%
	PM 2 % of San José 311 phone contacts resolved at first call[2]	82.7%	80.0%	85.0%	85.0%
★★★	*PM 3* % of San José 311 customers rating representative contact as professional, courteous, and knowledgeable	65.1%	80.0%	71.6%	75.0%
	PM 4 Average caller wait time	1:31 minutes	2:00 minutes	1:50 minutes	2:00 minutes
	PM 5 Average call duration	3:54 minutes	3:00 minutes	4:33 minutes [3]	4:30 minutes

1 Includes calls answered by staff, self-serviced calls and after-hours service, direct chats, walk-ins, and mobile and web portal requests.

2 This measure is based on San José 311 calls resolved at first contact and excludes calls resolved by the City's after-hours and weekend call service.

3 This measure experienced longer call durations due to customer inquiries for San José Municipal Water System disconnections and various City department billing collections. This trend is expected to continue in 2026-2027.

San José 311

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of Customer Contact Center Contacts[1]:				
	- Received	305,458	325,000	318,593	325,000
	- Answered	293,072	310,000	312,937	315,000
AWH 2	# of active SJ311 application and website users	80,014	90,000	98,914	95,000
AWH 3	# of total SJ311 requests	326,695	330,000	345,085	330,000
AWH 4	# of hang ups/lost calls	9,136	9,500	4,685	6,500

[1] Includes calls answered by staff, self-serviced calls and after-hours service, direct chats, walk-ins, and mobile and web portal requests.

Data Sources: San José 311

Number	Data Source
PM 1	Altigen Platform and Zoom Call Summary Report; San José 311 Platform
PM 2	Altigen Platform and Zoom Call Summary Report; Customer Information System Report
PM 3	Post-call Survey
PM 4	Altigen Platform and Zoom Call Summary Report
PM 5	Altigen Platform and Zoom Call Summary Report
AWH 1	Altigen Platform and Zoom Call Summary Report; San José 311 Platform
AWH 2	San José 311 Platform
AWH 3	San José 311 Platform
AWH 4	Altigen Platform and Zoom Call Summary Report

Information Technology Department

Performance Summary

Technology Infrastructure and Operations

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of overall Technology Help Desk ticket volume resolved	98.5%	≥99.9%	96.1%	≥99.9%
	*PM 2*	% of Technology Help Desk tickets resolved within 2 business days	59.1%	85.0%	63.2%	65.0%
	*PM 3*	Average length of unplanned network outages	2 hours	2 hours	0 hours	≤2 hours

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of unplanned network outages	1	2	0	≤2
AWH 2	# of Severity 1 infrastructure service outages	3	2	1	2
AWH 3	# of Technology Help Desk tickets	24,346	21,000	21,200	22,000

Data Sources: Technology Infrastructure and Operations

Number	Data Source
PM 1	ServiceNow Platform
PM 2	ServiceNow Platform
PM 3	Orion Monitoring Platform and SharePoint Incident Management Tracker
AWH 1	Orion Monitoring Platform and SharePoint Incident Management Tracker
AWH 2	SharePoint Incident Management Tracker
AWH 3	ServiceNow Platform

Information Technology Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	5.00	5.00	-
Assistant Director	1.00	1.00	-
City Information Security Officer	1.00	1.00	-
Deputy Director	2.00	2.00	-
Director of Information Technology	1.00	1.00	-
Division Manager	1.00	1.00	-
Enterprise Information Technology Engineer I/II	9.00	9.00	-
Enterprise Principal Technology Analyst	7.00	8.00	1.00
Enterprise Supervising Technology Analyst	34.00	34.00	-
Enterprise Technology Manager	6.00	6.00	-
Information Systems Analyst	1.00	1.00	-
Network Technician I/II/III	11.00	10.00	(1.00)
Principal Office Specialist	3.00	3.00	-
Program Manager	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	4.00	3.00	(1.00)
Senior Office Specialist	10.00	10.00	-
Senior Systems Application Programmer	7.00	8.00	1.00
Staff Specialist	1.00	1.00	-
Supervising Applications Analyst	2.00	2.00	-
Systems Application Programmer I/II	1.00	1.00	-
Total Positions	**112.00**	**112.00**	**0.00**

Library Department

Jill Bourne, City Librarian

MISSION

The San José Library enriches lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information

CITY SERVICE AREA

Neighborhood Services

CORE SERVICES

ACCESS TO INFORMATION, LIBRARY MATERIALS, AND DIGITAL RESOURCES

Link customers to the information they need through access to books, videos, digital, and other information resources.

LITERACY AND LEARNING, FORMAL AND LIFELONG SELF-DIRECTED EDUCATION

Provide programs that promote reading, literacy, and learning for all ages and support school readiness and success.

Strategic Support: Administration, Business Office, Community Awareness and Outreach, Data Analytics, Library Bond Program, Technology Services, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Access to Information, Library Materials, and Digital Resources Core Service	
Access and Borrower Services	Provides materials handling, materials delivery, and customer service at all Library branches and the Dr. Martin Luther King, Jr. Library, including fines and fees collections, check out, check in, hold processing, customer account maintenance, materials maintenance, shelving, and transport of library materials between the 25 library facilities, including the Dr. Martin Luther King, Jr. Library, and Mount Pleasant Neighborhood Library.
Electronic Resources Implementation and Maintenance	Applies the Library's e-Resources strategy, which includes the production and management of the Library's websites (sjpl.org and SharePoint), the management of the Library online catalog (sjpl.bibliocommons.com), and the management and curation of all the Library's electronic resource platforms for eBooks, eAudio, eMagazines, media streaming services, and databases.
Library Facilities and Security	Ensures residents have access to safe, welcoming, accessible, well-equipped, and well-maintained facilities; this includes management and implementation of facility improvements, maintenance, and patron security.
Main Library Operations	Ensures that Dr. Martin Luther King, Jr. Library remains fully operational and maintained, including ongoing support of the unique joint partnership with San José State University.
Materials Acquisitions and Processing	Includes the selection, purchase, and processing of all Library materials to reflect the diversity and needs of the community.
Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service	
Early Education and Family Learning	With the Library's system-wide Early Education Strategy and nine branch Family Learning Centers, provides dedicated resources to young children (birth to kindergarten), parents, caregivers, and early educators in order to close opportunity gaps and ensure all children receive a strong start in learning and preparation for successful school experiences.
Adult Literacy	Provides free one-to-one and small group tutoring, by volunteers, for adults whose reading or writing skills are below the ninth-grade level.
Strategic Support Core Service	
Library Financial Management	Manages the budget, contracts, and all financial transactions for the department; assists in annual budget development.
Library Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Library Information Technology	Provides information technology services, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Library Management and Administration	Provides executive-level, analytical, and administrative support to the department.
Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- The Library will continue to provide free access to knowledge resources and information, electronic and physical materials, technology, afterschool homework help, classes, educational, literacy, citizenship, and workforce development programs, and promote lifelong learning for all ages.
- Ten library branches will operate 52 hours, seven days per week (Bascom, Alum Rock, Edenvale, Educational Park, Evergreen, Hillview, Joyce Ellington, Seven Trees, Tully, and West Valley). Six library branches will operate 48 hours, seven days per week (Alviso, Berryessa, Biblioteca Latinoamericana, Cambrian, Carnegie, and Vineland). Seven library branches will operate 43 hours, six days per week (Almaden, Calabazas, Pearl Avenue, Rose Garden, Santa Teresa, Village Square, and Willow Glen). Dr. Martin Luther King, Jr. (MLK) Library weekly public service hours are continuing at 73 hours, seven days per week and Mount Pleasant public service hours will remain at 24 hours, six days per week.
- The Library will continue to lead the City's Education Strategy and provide programs in alignment with Early Education, Expanded Learning, College and Career Pathways, Digital Literacy, and Equity and Inclusion Quality Standards. In so doing, the Library will align educational programs and referral services in support of applicable goals in the Children and Youth Services Master Plan.
- The Library will implement the updated SJ Access Strategy, with a focus on working through public-private partnerships to advance access to more reliable technology and ensure that residents have access to digital skill building opportunities that allow them to access digital tools safely, and benefit from the digital economy and workforce.
- The Library, in partnership with the San José Public Library Foundation, will administer the San José (SJ) Learns and Digital Inclusion Fund Grant Programs.

2026-2027 Key Budget Actions

- As reflected in the Source and Use of Funds Statements section, adds one-time funding of $500,000 in the Neighborhood Investments – Microenterprise Program allocation in the Multi-Source Housing Fund to continue the Family, Friends and Neighbor Caregiver Support Network Program for another year that was previously approved to be eliminated in the 2026-2027. The additional time will allow for an evaluation of this program and other similar programs over the next year.
- Eliminates public access to the California Room Local History Collection at the Dr. Martin Luther King Jr. Library, resulting in the elimination of 2.5 filled positions (1.0 Librarian II, 1.0 Library Clerk, and 0.5 Library Clerk PT) and 0.5 Library Page PT position. Physical materials will remain available for retrieval by appointment only.
- Eliminates 1.0 vacant Senior Analyst in the Library Data and Analytics unit, redistributing duties among existing staff in related units.
- Adds 1.0 Staff Specialist position to support the coordination of facility repairs, maintenance, and supplemental service requests across the 25 library facilities. This action is offset by the elimination of 0.50 vacant Library Clerk PT and 0.50 vacant Security Officer PT positions and reduction of $39,933 in non-personal/equipment funding on an ongoing basis.
- Temporarily decreases personal services funding in 2026-2027 and 2027-2028 during the scheduled closure, repair, and renovation of the Biblioteca Latinoamericana Branch Library. Staff assigned to this branch library will be reassigned to other branch locations.

Operating Funds Managed

- Library Parcel Tax Fund

Library Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Access To Information, Library Materials, and Digital Resources	44,510,444	49,091,391	49,003,638	47,594,609
Literacy and Learning, Formal and Lifelong Self-Directed Education	2,515,339	4,405,945	4,667,229	4,667,229
Strategic Support - Neighborhood Services	13,363,559	11,822,453	11,114,981	11,082,413
Strategic Support - Other - Neighborhood Services	3,934,845	5,461,742	2,910,434	2,910,434
Total	**$64,324,187**	**$70,781,531**	**$67,696,282**	**$66,254,685**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	52,795,104	55,481,147	55,627,523	54,225,859
Overtime	124,731	41,796	45,276	45,276
Subtotal Personal Services	$52,919,835	$55,522,943	$55,672,799	$54,271,135
Non-Personal/Equipment	7,054,539	9,443,955	8,931,955	8,892,022
Total Personal Services & Non-Personal/Equipment	**$59,974,374**	**$64,966,898**	**$64,604,754**	**$63,163,157**
Other Costs *				
City-Wide Expenses	3,941,994	5,486,780	2,223,240	2,223,240
General Fund Capital	7,184	0	0	0
Gifts	169,110	120,000	162,000	162,000
Housing Loans and Grants	0	0	0	0
Other	17,013	17,000	517,000	517,000
Other - Capital	0	0	0	0
Overhead Costs	214,512	190,853	189,288	189,288
Total Other Costs	**$4,349,813**	**$5,814,633**	**$3,091,528**	**$3,091,528**
Total	**$64,324,187**	**$70,781,531**	**$67,696,282**	**$66,254,685**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Library Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	52,830,641	57,594,297	53,782,738	52,387,668
Gift Trust Fund (139)	169,110	120,000	162,000	162,000
Library Parcel Tax Fund (418)	10,193,606	11,923,671	12,102,097	12,055,570
Multi-Source Housing Fund (448)	0	0	500,000	500,000
San José Opioid Response Fund (130)	1,280	0	0	0
Capital Funds	1,129,550	1,143,563	1,149,447	1,149,447
Total	**$64,324,187**	**$70,781,531**	**$67,696,282**	**$66,254,685**
Positions by Core Service **				
Access To Information, Library Materials, and Digital Resources	322.17	322.07	318.81	315.05
Literacy and Learning, Formal and Lifelong Self-Directed Education	19.17	19.30	16.77	16.77
Strategic Support - Neighborhood Services	47.99	47.95	47.95	47.81
Strategic Support - Other - Neighborhood Services	6.70	8.70	8.70	8.70
Total	**396.02**	**398.02**	**392.22**	**388.32**

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** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Library Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Access To Information, Library Materials, and Digital Resources					
Access and Borrower Services	37,509,751	39,578,690	39,751,055	38,502,140	284.23
Electronic Resources Implementation and Maintenance	485,117	1,480,074	1,495,450	1,295,403	7.00
Library Facilities and Security	1,502,423	1,461,802	1,487,440	1,527,373	9.00
Main Library Operations	2,031,139	3,556,204	3,456,116	3,456,116	0.00
Materials Acquisition and Processing	2,982,014	3,014,621	2,813,577	2,813,577	14.82
Sub-Total	**44,510,444**	**49,091,391**	**49,003,638**	**47,594,609**	**315.05**
Literacy and Learning, Formal and Lifelong Self-Directed Education					
Adult Literacy	150,214	1,132,242	1,158,220	1,158,220	5.00
Early Education and Family Learning	2,365,125	3,273,703	3,509,009	3,509,009	11.77
Sub-Total	**2,515,339**	**4,405,945**	**4,667,229**	**4,667,229**	**16.77**
Strategic Support - Neighborhood Services					
Library Emergency Response and Recovery	194,673	0	0	0	0.00
Library Financial Management	1,230,187	733,743	753,468	753,468	4.00
Library Human Resources	857,117	602,761	609,091	609,091	2.50
Library Information Technology	3,371,013	3,737,212	2,963,150	2,963,150	13.50
Library Management and Administration	7,710,569	6,748,737	6,789,272	6,756,704	27.81
Sub-Total	**13,363,559**	**11,822,453**	**11,114,981**	**11,082,413**	**47.81**
Strategic Support - Other - Neighborhood Services					
Library Capital	1,136,734	1,287,890	1,323,906	1,323,906	4.70
Library Gifts	171,079	120,000	162,000	162,000	0.00
Library Other Departmental - City-Wide	2,363,773	3,675,999	1,218,240	1,218,240	4.00

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

** 2024-2025 Actuals may not subtotal due to rounding.

Library Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Library Other Departmental - Grants	241,202	170,000	0	0	0.00
Library Other Operational - Administration	22,057	17,000	17,000	17,000	0.00
Library Overhead	0	190,853	189,288	189,288	0.00
Sub-Total	**3,934,845**	**5,461,742**	**2,910,434**	**2,910,434**	**8.70**
Total	**$64,324,187**	**$70,781,531**	**$67,696,282**	**$66,254,685**	**388.32**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Library Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**398.02**	**64,966,898**	**52,107,517**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget		(100,000)	(100,000)
• Family Friends and Neighbor (FFN) Caregiver Support Network Program Staffing (Effective 2026-2027) (1.0 Library Clerk, 2.0 Literacy Program Specialist)	(3.00)	(498,106)	(498,106)
• MLK Access Services/Materials Processing Staffing (Effective 2026-2027) (0.60 Library Aide PT, 1.0 Library Clerk, 1.20 Library Page PT)	(2.80)	(259,382)	(259,382)
• Acquisition of Materials		(250,000)	(250,000)
• Ignite Fellowship Program		(75,000)	(75,000)
• Youth Science Institute		(60,000)	(60,000)
• Silicon Valley Education Foundation		(35,000)	(35,000)
• Tully Library Branch Safety Improvements		(21,000)	(21,000)
One-time Prior Year Expenditures Subtotal:	**(5.80)**	**(1,298,488)**	**(1,298,488)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Community Programs Administrator to 1.0 Senior Librarian - 1.0 Librarian I/II to 1.0 Librarian I/II PT - 3.0 Library Clerk PT to 3.0 Library Clerk - 1.0 Senior Library Clerk to 1.0 Library Clerk - 1.0 Warehouse Worker I/II to 1.0 Library Assistant	0.00	810,804	621,045
• Living Wage Adjustment		90,743	64,927
• Utilities: Electricity, Gas, Water		37,000	55,000
• Overtime Adjustment		3,480	3,180
• Part-Time Sick Leave Adjustment		2,317	2,317
• Vehicle Operations & Maintenance		(8,000)	4,000
Technical Adjustments Subtotal:	**0.00**	**936,344**	**750,469**
2026-2026 Forecast Base Budget:	**392.22**	**64,604,754**	**51,559,498**
Budget Proposals Recommended			
1. Library Facilities Administrative Staffing	0.00	0	0
2. Mount Pleasant Bridge Branch Library Staffing Funding Shift	0.00	0	(65,715)
3. Biblioteca Latinoamericana Facility Renovation Closure		(820,823)	(708,581)
4. California Room Public Access Closure	(2.90)	(388,159)	(388,159)
5. Library Analytics Team Staffing	(1.00)	(232,615)	(232,615)
Total Budget Proposals Recommended	**(3.90)**	**(1,441,597)**	**(1,395,070)**
2026-2027 Proposed Budget Total	**388.32**	**63,163,157**	**50,164,428**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Library Facilities Administrative Staffing	**0.00**	**0**	**0**

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Access and Borrower Services and Library Facilities and Security Programs

This action adds 1.0 Staff Specialist position and eliminates 0.50 vacant Library Clerk PT and 0.50 vacant Security Officer PT positions in the Library Parcel Tax Fund. An ongoing reduction of $39,933 in non-personal/equipment funding in the Library Parcel Tax Fund is recommended to partially offset the cost of the new position. The Staff Specialist will improve overall operations by increasing capacity for centralized communications, tracking, and reporting across City departments and contractual vendors. This position will support the coordination of facility repairs, maintenance, and supplemental service requests; assist in addressing work order backlogs; and replace the function of the eliminated Library Clerk PT position. The elimination of the vacant Library Clerk PT and Security Officer PT positions will not have a service impact because the proposed staffing is sufficient to support operational needs. Currently, the Library Department has eight full-time Senior Security Officer positions. The 2022 security assessment determined that the part-time Security Officer classification was not sufficient to meet the library's security service needs; therefore, it is recommended to delete the part-time position and to add a more suitable position to improve operations. Demand for facility repairs and maintenance at the 25 library locations has increased significantly due to aging infrastructure and expanded service hours, with more than 2,000 work orders created for library repairs as of January 2025. Establishing this position supports improved coordination of facilities operations and helps maintain safe and operational library facilities. (Ongoing costs: $0)

2. Mount Pleasant Bridge Branch Library Staffing Funding Shift	**0.00**	**0**	**(65,715)**

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Access and Borrower Services and Electronic Resources Implementation and Maintenance Programs
Literacy and Learning, Formal and Lifelong Self-Directed Education Core Service
Early Education and Family Learning Program
Strategic Support – Neighborhood Services Core Service
Library Management and Administration Program

This action shifts funding for 0.4 Library Page PT and 0.5 Librarian II PT positions at the Mount Pleasant Bridge Branch Library, along with $5,000 in non-personal/equipment funding from the General Fund to the Library Parcel Tax Fund, to align library service costs with funding sources. Library operations and staffing levels at the branch would remain unchanged. The Mount Pleasant Bridge Branch Library provides services to lower-resourced communities and helps improve barriers to access, consistent with the City's racial and social equity goals. The branch primarily serves program attendees, local elementary school classes, and younger families, and supplements services for the nearby school library. The surrounding service area has a population of 5,979, with 42% foreign born residents and 22% of families living below 200% of the poverty threshold. In 2025, the branch recorded 7,559 visits and 5,500 circulations. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Biblioteca Latinoamericana Facility Renovation Closure	**0.00**	**(820,823)**	**(708,581)**

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Access and Borrower Services Program

This action temporarily decreases personal services funding in 2026-2027 and 2027-2028 for 1.2 Library Page PT, 1.0 Library Clerk, 1.0 Library Clerk PT, 0.3 Library Aide PT, 1.0 Library Assistant, and 2.0 Librarian II positions in the General Fund, and 1.6 Library Page PT and 0.5 Library Clerk PT positions in the Library Parcel Tax Fund. The branch library will be closed for 22 months while renovation work and repairs are completed. During the closure, staff assigned to this branch library will be redistributed into vacant positions across the San José Public Library system. Funding for these positions will be restored through the 2028-2029 Base Budget process, aligning with when the Biblioteca Latinoamericana facility is expected to reopen and branch library service resumes. (Ongoing savings: $994,837)

4. California Room Public Access Closure	**(2.90)**	**(388,159)**	**(388,159)**

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Access and Borrower Services Program

This action eliminates 1.0 Librarian I/II, 1.0 Library Clerk, and 0.5 Library Clerk PT filled positions and 0.4 Library Page PT pooled position associated with the California Room Local History Collection at Dr. Martin Luther King, Jr Library, resulting in the closure of the California Room to regular public access. Physical materials will remain available for retrieval through the King Library Reference and Referral Unit by appointment, and the Library Department will retain 0.5 Library Clerk PT position in the Library Parcel Tax Fund to support retrieval services and develop program revisions to maintain essential access to the collection. The California Room is a local history collection focusing on California history with an emphasis on San José and the Santa Clara Valley. In 2025, there were 5,442 visits to the California room. The Library Department has increased public access to materials through digitization projects and expanded online resources. The Library Department will pursue additional funding for space improvements, digitization of collections, and other enhancements that may support reopening the California Room in the future. (Ongoing savings: $396,676)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Library Analytics Team Staffing	**(1.00)**	**(232,615)**	**(232,615)**

Neighborhood Services CSA
Access to Information, Library Materials, and Digital Resources Core Service
Electronic Resources Implementation and Maintenance Program
Strategic Support – Neighborhood Services Core Service
Library Management and Administration Program

This action eliminates a vacant 1.0 Senior Analyst position in the Library Data and Analytics unit. This position supports the collection, analysis, and reporting of data used to evaluate Library programs and operations, including city-wide initiatives related to education, digital literacy, and digital inclusion. The duties previously assigned to this position will be redistributed among existing staff in related units. (Ongoing savings: $232,615)

2026-2027 Proposed Budget Changes Total	**(3.90)**	**(1,441,597)**	**(1,395,070)**

Library Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Access to Information, Library Materials, and Digital Resources

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of households with a library card used within the last 2 years	49%	40%	37%	40%
★★★ *PM 2*	% of customers that rate the variety of Library collections as "good" or "very good"	89%	80%	89%	80%
★★★ *PM 3*	% of customers rating Library open hours as "good" or "very good"	81%	80%	81%	81%
★★★ *PM 4*	% of customers who used Library technology access services and were satisfied	97%	97%	97%	95%
 *PM 5*	% of customers who borrowed the Library's digital items and were satisfied	95%	80%	95%	75%[1]

[1] Reflects an anticipated lower satisfaction rate in 2026-2027 as a result of a decreased budget for acquisitions and increased costs for materials.

Library Department

Performance Summary

Access to Information, Library Materials, and Digital Resources

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of visitors to main and branch libraries	3,853,627	4,350,000	3,928,804	3,950,000
AWH 2	Number of items circulated to the public (children, youth and adults) system-wide for:				
	- Physical Items (physical books, materials)	5,524,668	5,650,000	5,442,636	4,850,000[1]
	- Digital Resources (eBooks, eMedia)	2,194,004	2,000,000	1,904,186	1,750,000[1]
AWH 3	# of items purchased for circulation				
	- Physical Items (physical books, materials)	181,176	120,000	177,100	110,000[1]
	- Digital Resources (eBooks, eMedia)	53,064	40,000	52,900	47,000[1]
AWH 4	# of reference questions answered	303,655	315,000	276,440	250,000
AWH 5	# of public access computer sessions at library facilities	265,880	300,000	271,430	260,000

[1] Staff anticipates lower levels of physical and digital items in circulation as well as decreased purchases of items for circulation due to a decreased budget for acquisitions and increased costs for the purchase of physical items and licensing costs for digital resources.

Data Sources: Access to Information, Library Materials, and Digital Resources

Number	Data Source
PM 1	Library integrated library system and City's master address database
PM 2	Library Customer Satisfaction Survey
PM 3	Library Customer Satisfaction Survey
PM 4	Library Customer Satisfaction Survey
PM 5	Library Customer Satisfaction Survey
AWH 1	Library gate count database
AWH 2	Library integrated library system
AWH 3	Library integrated library system
AWH 4	Library reference desk system
AWH 5	Library computer reservation system

Performance Summary

Literacy and Learning, Formal and Lifelong Self-Directed Education

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of library Early Education program/class participants whose knowledge or skills have improved and resulted in more quality literacy experiences with a child	90%	88%	86%	90%
PM 2	% of Adult Literacy and ESL program participants that succeed in achieving self-defined learning goals	71%	60%	71%	71%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of attendees at Library Programs:				
	- Early Education	92,515	82,000	95,360	90,000
	- Expanded Learning at Schools	73,627	130,000	64,133	65,000
	- College & Career Readiness	5,885	5,000	5,883	6,000
	- Adult	43,898	59,000	36,946	36,000
AWH 2	# of attendees at Family Learning Centers	40,502	51,000	26,921[1]	27,000[1]
AWH 3	# of programs at Family Learning Centers	3,580	4,700	2,751	2,600
AWH 4	# of participants in Reading and Learning Challenges	14,711	23,000	15,000	15,000
AWH 5	Cost per capita to promote lifelong learning and educational support	$1.38	$1.37	$1.46	$1.49

[1] The decrease in the # of attendees at Family Learning Centers (FLCs) is the result of structural changes implemented at FLC locations, including changing FLC locations within the San José Public Library system. Vacancies in program staff experienced through 2025-2026 also resulted in reduced capacity at FLC locations. Library will revisit future projections as community utilization of FLCs normalizes and programming and staffing complements stabilize.

Data Sources: Literacy and Learning, Formal and Lifelong Self-Directed Education

Number	Data Source
PM 1	Library Early Education Program Survey
PM 2	Library PAR survey
AWH 1	Library program database
AWH 2	Library program database
AWH 3	Library program database
AWH 4	Library program database
AWH 5	Approved Budget and California State Finance Department Population Estimates

Library Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	8.00	-
City Librarian	1.00	1.00	-
Community Programs Administrator	6.00	5.00	(1.00)
Deputy Director	2.00	2.00	-
Division Manager	4.00	4.00	-
Information Systems Analyst	1.00	1.00	-
Librarian I/II	66.00	64.00	(2.00)
Librarian I/II PT	11.30	12.30	1.00
Library Aide PT	10.99	10.39	(0.60)
Library Assistant	30.00	31.00	1.00
Library Clerk	49.00	50.00	1.00
Library Clerk PT	31.00	27.00	(4.00)
Library Page PT	87.73	86.13	(1.60)
Literacy Program Specialist	17.00	15.00	(2.00)
Network Engineer	4.00	4.00	-
Network Technician I/II/III	8.00	8.00	-
Network Technician I/II/III PT	0.50	0.50	-
Program Manager	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	3.00	3.00	-
Security Officer PT	0.50	0.00	(0.50)
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	5.00	4.00	(1.00)
Senior Librarian	17.00	18.00	1.00
Senior Library Clerk	1.00	0.00	(1.00)
Senior Office Specialist	2.00	2.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Security Officer	8.00	8.00	-
Staff Specialist	1.00	2.00	1.00
Supervising Applications Analyst	1.00	1.00	-
Volunteer Coordinator	1.00	1.00	-
Warehouse Supervisor	1.00	1.00	-
Warehouse Worker I/II	7.00	6.00	(1.00)
Total Positions	**398.02**	**388.32**	**(9.70)**

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Mayor and City Council

MISSION

The San José City Council consists of ten Councilmembers elected by district and a Mayor elected at-large, each for four-year terms. The Mayor and Council are responsible for representing the residents of San José, providing accountability, reviewing public policy and programs, and adopting those policies which best meet the needs of the residents, visitors, and businesses in San José

Matt Mahan, Mayor

Rosemary Kamei
District 1

Pamela Campos
District 2

Anthony Tordillos
District 3

David Cohen
District 4

Peter Ortiz
District 5

Michael Mulcahy
District 6

Bien Doan
District 7

Domingo Candelas
District 8

Pam Foley
District 9 (Vice Mayor)

George Casey
District 10

Mayor and City Council

Department Budget Summary

Expected 2026-2027 Service Delivery

- The Office of the Mayor provides leadership and guidance to the City Council. Using a variety of tools to engage the public, the Office will continue to ensure that the City's budget reflects the community's spending priorities and major initiatives, including reducing unsheltered homelessness, increasing community safety, cleaning up our neighborhoods, growing our economy, and building more housing.
- The City Council will continue to exercise its power in determining policy through adoption of ordinances, resolutions, and motions, subject to the provisions of the City Charter and the State Constitution.
- Council General will provide central funding resources to the Office of the Mayor and City Council.

2026-2027 Key Budget Actions

- Reduces ongoing funding in the Office of the Mayor by $138,711, and ongoing funding for each City Council Office by $24,454 for a total of $244,540.

Operating Funds Managed

N/A

Mayor and City Council

Department Budget Summary

	2024-2026 Actuals 1	2025-2026 Adopted 2	2026-2027 Forecast[1] 3	2026-2027 Proposed 4	% Change (2 to 4)
Dollars by Program					
Office of the Mayor					
Office of the Mayor	5,100,577	5,317,606	5,387,678	5,248,967	(1.3%)
City Council					
Council District #1	706,309	1,643,738	1,105,335	1,080,881	(34.2%)
Council District #2	951,534	1,289,688	1,145,631	1,121,177	(13.1%)
Council District #3	1,011,270	1,085,439	1,097,191	1,072,737	(1.2%)
Council District #4	1,133,767	1,338,414	1,104,958	1,080,504	(19.3%)
Council District #5 (July - December)[2]	1,019,996	1,372,060	547,286	535,059	(61.0%)
Council District #5 (January - June)[2]	0	0	547,285	535,058	N/A
Council District #6	924,816	1,236,656	1,105,642	1,081,188	(12.6%)
Council District #7 (July - December)[2]	929,009	1,644,148	554,358	542,131	(67.0%)
Council District #7 (January - June)[2]	0	0	554,358	542,131	N/A
Council District #8	951,366	1,447,442	1,112,012	1,087,558	(24.9%)
Council District #9 (July - December)[2]	1,128,577	1,454,122	570,916	558,689	(61.6%)
Council District #9 (January - June)[2]	0	0	570,915	558,688	N/A
Council District #10	907,045	1,665,884	1,109,502	1,085,048	(34.9%)
Council General	31,069	49,670	49,670	49,670	0.0%
Total	**$ 14,795,335**	**$ 19,544,867**	**$ 16,562,737**	**$ 16,179,486**	**(17.2%)**
Dollars by Category					
Operating Expenditures	$ 14,795,335	$ 19,544,867	$ 16,562,737	$ 16,179,486	(17.2%)
Total	**$ 14,795,335**	**$ 19,544,867**	**$ 16,562,737**	**$ 16,179,486**	**(17.2%)**
Dollars by Fund					
General Fund	$ 14,795,335	$ 19,544,867	$ 16,562,737	$ 16,179,486	(17.2%)
Total	**$ 14,795,335**	**$ 19,544,867**	**$ 16,562,737**	**$ 16,179,486**	**(17.2%)**
Authorized Positions [3]	**27.00**	**27.00**	**27.00**	**27.00**	**0.0%**

[1] The amounts reflected in the 2026-2027 Forecast column for the Office of the Mayor and City Council District budgets are detailed below:

Office of the Mayor ($5,387,678)
- Salary and benefits for the Mayor ($273,524), Mayor's Office classified staff ($846,137), unclassified staff and non/personal equipment expenses ($4,243,017).
- Sharks Supported Constituent Outreach ($25,000).

City Council ($11,125,389)
- Salary and benefits for each City Council Member (average $210,547), and City Council Office classified staff (average $149,576). Each City Council District also recieves a base allocation of $742,416 for unclassified staff and non/personal equipment expenses.
- Sharks Supported Constituent Outreach per Council District ($10,000).

Council General ($49,670)
- The ongoing Council General allocation pays for central expenses for the Mayor and Council Districts such as photocopiers or other office resources.

[2] Council Districts 5, 7 and 9 budget allocations in the 2026-2027 Proposed Budget reflect City direction related to budgeting during election years. The 2026-2027 budget includes two appropriations for each office subject to an election to maintain separate budget allocations for the outgoing and incoming elected officials.

[3] Does not include unclassified staff for Office of the Mayor and City Council Districts.

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**27.00**	**19,544,867**	**19,544,867**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(3,398,000)	(3,398,000)
• Council District #02 (Great Oaks Neighborhood Activation and Engagement)		(28,250)	(28,250)
• Council District #07 (Tet Parade)		(15,000)	(15,000)
• Office of the Mayor (Opportunity Youth Academy)		(15,000)	(15,000)
• Council District #03 (Supporting District 3 Neighborhood Districts)		(10,000)	(10,000)
• Council District #05 (Catholic Charities)		(10,000)	(10,000)
• Council Distirct #05 (Hispanic Foundation of Silicon Valley)		(10,000)	(10,000)
• Council District #07 (Movie Nights)		(10,000)	(10,000)
• Council District #08 (Bay Area Women's Sports Initiative (BAWSI))		(10,000)	(10,000)
• Council District #08 (District 8 Community Gardens)		(10,000)	(10,000)
• Council District #08 (District 8 Public Art for Public Infrastructure)		(10,000)	(10,000)
• Council District #08 (Evergreen Business Association Empowerment Grant)		(10,000)	(10,000)
• Council District #09 (Bay Area Women's Sports Initiative (BAWSI) Rollers Program)		(10,000)	(10,000)
• Council District #09 (Community SEVA)		(10,000)	(10,000)
• Council District #09 (Latino Business Foundation Silicon Valley (LBSFV))		(10,000)	(10,000)
• Council District #09 (Recovery Café)		(10,000)	(10,000)
• Council District #09 (Scouting America, Silicon Valley Monterey Bay Council (SVMBC))		(10,000)	(10,000)
• Office of the Mayor (AI Innovator Meetup Series)		(10,000)	(10,000)
• Council District #06 (Sunol Community School)		(5,000)	(5,000)
• Council District #07 (Movimiento de Arte y Cultura Latino Americana (MACLA))		(5,000)	(5,000)
• Council District #07 (Story Road Business Association)		(5,000)	(5,000)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(3,611,250)**	**(3,611,250)**

Mayor and City Council

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		629,120	629,120
Technical Adjustments Subtotal:	**0.00**	**629,120**	**629,120**
2026-2027 Forecast Base Budget:	**27.00**	**16,562,737**	**16,562,737**
Budget Proposals Recommended			
1. City Council Offices		(244,540)	(244,540)
2. Office of the Mayor		(138,711)	(138,711)
Total Budget Proposals Recommended	**0.00**	**(383,251)**	**(383,251)**
2026-2027 Proposed Budget Total	**27.00**	**16,179,486**	**16,179,486**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. City Council Offices		**(244,540)**	**(244,540)**
Strategic Support – Council Appointees CSA *City Council* This action decreases each City Council Office's budget ongoing by approximately 3%, or $24,454 in each Office, for a total of $244,540 for all 10 Districts. This action means Council Offices may need to scale back, or potentially cancel, plans for some community events and outreach projects scheduled for next year. Funding allocated for non-personal/equipment expenses, including supplies and materials, subscriptions, and professional services, will also be impacted. (Ongoing savings: $244,540)			
2. Office of the Mayor		**(138,711)**	**(138,711)**
Strategic Support – Council Appointees CSA *Office of the Mayor* This action decreases the budget for the Office of the Mayor ongoing by approximately 3%, or $138,711. This action means fewer resources to support strategic partnerships, communications, and policy development. (Ongoing savings: $138,711)			
2026-2027 Proposed Budget Changes Total		**(383,251)**	**(383,251)**

Mayor and City Council

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Administrative Assistant	2.00	2.00	-
Councilmember	10.00	10.00	-
Executive Assistant	9.00	9.00	-
Mayor	1.00	1.00	-
Principal Office Specialist	1.00	1.00	-
Secretary To Mayor	1.00	1.00	-
Senior Office Specialist	2.00	2.00	-
Staff Specialist	1.00	1.00	-
Total Positions[1]	**27.00**	**27.00**	**0.00**

[1] Does not include Mayor and City Council Unclassified Staff.

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Parks, Recreation and Neighborhood Services Department

Jon Cicirelli, Director

MISSION

Connecting People through Parks, Recreation and Neighborhood Services for an Active San José

CITY SERVICE AREA

Neighborhood Services

CORE SERVICES

ANIMAL CARE AND SERVICES

Promote and protect the health, safety and welfare of animals and people in the City of San José.

COMMUNITY FACILITIES DEVELOPMENT

Create uniquely San José places that foster relationships with people and nature and offer a civic presence.

COMMUNITY SERVICES

Empower and support residents, schools, and local organizations to make the City more livable, safe and clean.

PARKS MAINTENANCE AND OPERATIONS

Ensure the proper maintenance and operation of City parks, trails and open spaces that provide opportunities for residents to connect to nature and lead active, healthy lifestyles.

RECREATION SERVICES

Through recreation, promote play and health, strengthen communities and enrich lives.

Strategic Support: Budget and Financial Management Services, Contracting Services, Employee Services, Marketing and Public Information, and Emergency Response and Recovery

Parks, Recreation and Neighborhood Services Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Animal Care and Services Core Service	
Animal Licensing and Customer Services	Provides licensing, adoption, and customer service support, such as spay and neuter, quarantine, and owner surrender for customers at the Animal Care Center.
Animal Services Field Operations	Provides field services to ensure the health, safety, and welfare of animals and people in the City.
Community Facilities Development Core Service	
Major Capital Improvement Projects Management	Oversees and manages approximately 150 projects in the City's community centers, trail network, and park system, focusing on large developments, construction of turnkey parks, and planning efforts to identify and acquire new parkland.
Minor Parks Capital Improvement Projects	Dedicated design staff, repair workers, and construction teams focus their project planning, design, and implementation efforts on small-scale projects.
Community Services Core Service	
Encampment Management	Provides services at homeless encampment locations throughout the City, including trash management, biowaste removal, encampment engagement and education, and encampment abatement.
Illegal Dumping and Homeless Encampment Trash Collection and Abatement	In partnership with neighborhoods, businesses, and non-profit partners, provides neighborhood and environmental beautification and cleanup services by eliminating blight caused by illegal dumping and homeless encampment trash accumulation throughout the City.
Neighborhood Blight Reduction and Beautification	Provides services and support for litter clean up, graffiti removal, illegal dumping removal, city-wide beautification, outreach and education, and neighborhood association engagement and support.
Youth Gang Prevention and Intervention	Comprised of a broad coalition of school officials, community and faith-based organizations, local residents, representatives of local law enforcement agencies, and City, County, and State government leaders that leverage each group's expertise as part of a coordinated, interagency effort to curb gang-related violence.
Parks Maintenance and Operations	
Family Camp	Provides campers with reservable wood-framed canvas tents, a dining hall, food services, recreation programs, a swimming area, and a nature center at an all-inclusive, 51.2-acre campground located in the Sierra Nevada wilderness.
Happy Hollow Park & Zoo	Connects people to nature through play; focuses on conservation, education, animal welfare, and fun by providing animal exhibits and interactive, multi-generational attractions.
Municipal Golf Courses	Provides outdoor recreation and community access to golf play at reasonable rates at the City-owned San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

Service Delivery Framework

PROGRAM	DESCRIPTION
Parks Maintenance and Operations (cont'd.)	
Neighborhood Parks and Regional Parks	Maintains and operates more than 200 neighborhood parks and many other civic spaces as well as 10 regional parks and 65 miles of trails to provide safe, clean, and green public spaces for the community to live and play.
Park Rangers	Protect, preserve, and enhance the natural and cultural resources of the City's parks, trails, and open spaces.
Parks Administration	Provides the central management of more than 200 neighborhood parks and many other civic spaces as well as 10 regional parks and 65 miles of trails, including San José Family Camp, Special Parks Use and sports field and facility rentals, the Volunteer Management Unit, Community Gardens, Emma Prusch Farm Park, Happy Hollow Park & Zoo and City-owned sports facilities.
Sports Fields Maintenance and Reservations	Provides community access to outdoor play and recreation at Arcadia Ballpark, PAL Stadium, and 83 sports fields in 47 parks; also known as "City-Wide Sports."
Volunteer, Adopt a Park, and Community Gardens	Promotes community engagement and stewardship of City parks to supplement park maintenance through the Adopt-A-Park Program and volunteer events to clean and beautify parks; manages community gardens where San José residents grow fruits and vegetables to supplement a healthy lifestyle, create community and decrease social isolation among participants.
Recreation Services Core Service	
Aquatics	Offers San José residents and surrounding communities access to pools for swim lessons and recreational swim at affordable costs.
Community Center Operations	Offers a multi-service Community Center Hub model in order to improve all residents' health and quality of life through dynamic recreational opportunities and high-quality facilities.
Park Activation/ Placemaking	Repurposes and reimagines underused public space through creative and innovative programming, utilizing the City of San José assets, community inspiration, and resident potential to create public life that promotes health, happiness, and well-being.
Neighborhood Center Partner Program (formerly PRNS Re-Use)	Allows eligible community groups and public agencies to use City-owned facilities in exchange for providing San José residents with low or no-cost services and access.
Recreation Administration	Oversees and manages recreation budget and scholarships to provide programs and facilities that are used to promote play and healthy lifestyles and provide community access.
Senior Services	Strives to decrease social isolation, encourage healthy aging, provide nutritional meals, and offer additional resource connections for older adults through wrap-around services provided at City of San José community centers.

Service Delivery Framework

PROGRAM	DESCRIPTION
Recreation Services Core Service (cont'd.)	
Youth Services	Offers enrichment, healthy recreation, developmental assets, homework assistance, safety, and fun in the provision of afterschool programming to students.
Strategic Support Core Service	
Capital Budget and Project Management	Oversees the capital budget process and grant support team.
PRNS Financial Management	Manages the budget and all financial transactions for the department and drives the Department's annual budget development.
PRNS Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
PRNS Management and Administration	Provides executive-level, leadership, analytical and administrative support to the department. Manages public information to promote and elevate the community's awareness of the department through web management, graphic design services, translation services, photography, videography, social media engagement, crisis communications, and public relations.
PRNS Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Implement ActivateSJ, through Stewardship, Nature, Equity & Access, Identity, and Public Life.
- Maintain clean and safe parks and trails, providing extra attention to parks with the lowest assessment ratings.
- Protect, preserve, and enhance the natural and cultural resources of parks, trails, watersheds, and open spaces through the Park Ranger Program.
- Provide outdoor experiences and opportunities to interact with nature by maintaining unique facilities such as Happy Hollow Park & Zoo and Emma Prusch Farm Park, and activating public spaces through Viva Parks and Viva CalleSJ.
- Engage residents of all abilities with community health and recreational programs and volunteer opportunities in parks, community centers, and public spaces.
- Provide scholarship opportunities for eligible families to ensure that cost is not a barrier to accessing healthy recreational opportunities.
- Continue to implement no encampment zone strategy along 30 miles of Waterways/Trails and near the emergency interim housing sites to maintain public spaces.
- Effectively remove graffiti and illegal dumping as reported via 311 reports.
- Provide complete animal care stewardship with the transition of Animal Care and Services to PRNS, effective August 1.

2026-2027 Key Budget Actions

- Adds 11.86 positions and $631,000 non-personal/equipment funding, offset by fee program revenue, to realign resources with current activity levels at Happy Hollow Park & Zoo, Family Camp, Emma Prusch Farm Park, and the Citywide Sports fee programs.
- Adds ongoing funding of $289,000 to support expanded spay and neuter services for in-house Trap, Neuter and Release program and contracted veterinary services.
- Reduces Beautify San José non-personal/equipment funding by $4.2 million in 2026-2027 and $6.4 million ongoing to reflect less reliance on vendors and Police Officer secondary employment costs for large abatements that have been largely cleared. Also includes a series of staffing shifts, including 1.0 Community Coordinator position from the demobilized Waterways Team to the Safe School Campus Initiative team.
- Eliminates 4.58 positions that deliver San José Recreation Preschool at several neighborhood community centers due to consistent declining enrollments.
- Adds $1.0 million for the first year's funding of a three-year vegetation management effort at Alum Rock Park and other City parks and open spaces to address wildfire risk and public safety concerns.
- Eliminates 5.47 positions and $52,000 of non-personal/equipment funding, beginning January 2027, to transition Arcadia Ballpark to PRNS's Citywide Sports Program reservation system; realigns maintenance staff with a plan to increase the number of park maintenance districts from six to seven; shifts maintenance of Arcadia Ballpark and PAL Stadium Complex from dedicated maintenance into a park maintenance district; and redeploys a Parks, Recreation and Facilities Supervisor to provide oversight of the Department's major operating leases including Municipal Golf Courses and Lake Cunningham.

Operating Funds Managed

- Municipal Golf Course Fund
- San José Opioid Response Fund
- St. James Park Management District Fund

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Animal Care and Services	0	0	17,198,466	17,487,466
Community Facilities Development	8,258,433	8,301,276	8,614,427	8,614,427
Community Services	43,730,914	52,077,879	49,940,687	45,666,175
Parks Maintenance and Operations	66,366,382	69,921,356	66,062,826	67,581,374
Recreation Services	33,259,431	37,674,293	36,150,727	35,226,335
Strategic Support - Neighborhood Services	10,815,559	7,537,367	7,243,587	6,963,290
Strategic Support - Other - Neighborhood Services	14,685,253	9,205,567	6,779,171	8,429,171
Total	**$177,115,972**	**$184,717,738**	**$191,989,891**	**$189,968,238**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	99,561,446	106,632,036	121,332,522	120,600,639
Overtime	2,363,087	401,806	764,851	764,851
Subtotal Personal Services	$101,924,533	$107,033,842	$122,097,373	$121,365,490
Non-Personal/Equipment	49,057,936	54,357,221	55,307,048	52,465,106
Total Personal Services & Non-Personal/Equipment	**$150,982,469**	**$161,391,063**	**$177,404,421**	**$173,830,596**
Other Costs *				
City-Wide Expenses	19,122,206	16,249,051	9,314,748	9,266,920
General Fund Capital	689,661	2,239,000	0	1,600,000
Gifts	266,567	279,000	585,000	585,000
Housing Loans and Grants	23,043	0	0	0
Other	2,311,087	1,047,702	1,083,000	1,083,000
Other - Capital	0	0	0	0
Overhead Costs	2,777,684	2,240,922	2,333,722	2,333,722
Workers' Compensation	943,255	1,271,000	1,269,000	1,269,000
Total Other Costs	**$26,133,503**	**$23,326,675**	**$14,585,470**	**$16,137,642**
Total	**$177,115,972**	**$184,717,738**	**$191,989,891**	**$189,968,238**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	158,578,027	161,333,508	174,916,538	172,826,342
Airport Maintenance and Operation Fund (523)	63,632	87,313	82,073	82,073
Community Development Block Grant Fund (441)	23,043	0	0	0
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)	375,687	519,726	420,477	420,477
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	53,047	102,248	59,901	59,901
Gift Trust Fund (139)	398,232	339,000	644,000	644,000
Low and Moderate Income Housing Asset Fund (346)	945	0	0	0
Real Property Transfer Tax Fund (404)	2,151,596	6,957,385	245,000	245,000
San José Opioid Response Fund (130)	481,655	1,135,110	1,149,321	1,217,864
St. James Park Management District Fund (345)	557,794	811,292	803,663	803,663
Capital Funds	14,432,314	13,432,156	13,668,918	13,668,918
Total	**$177,115,972**	**$184,717,738**	**$191,989,891**	**$189,968,238**
Positions by Core Service **				
Animal Care and Services	0.00	0.00	100.27	100.27
Community Facilities Development	39.06	38.76	39.66	39.66
Community Services	161.40	153.40	149.40	148.40
Parks Maintenance and Operations	362.29	362.48	355.88	362.25
Recreation Services	258.57	247.23	247.28	241.47
Strategic Support - Neighborhood Services	38.51	37.66	36.76	34.76
Strategic Support - Other - Neighborhood Services	3.05	4.00	3.20	3.20
Total	**862.88**	**843.53**	**932.45**	**930.01**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Animal Care and Services					
Animal Licensing and Customer Services	0	0	13,301,913	13,590,913	76.27
Animal Services Field Operations	0	0	3,896,553	3,896,553	24.00
Sub-Total	**0**	**0**	**17,198,466**	**17,487,466**	**100.27**
Community Facilities Development					
Major Capital Improvement Projects Management	5,434,945	4,659,823	4,685,880	4,685,880	19.40
Minor Parks Capital Improvement Projects	2,823,488	3,641,453	3,928,547	3,928,547	20.26
Sub-Total	**8,258,433**	**8,301,276**	**8,614,427**	**8,614,427**	**39.66**
Community Services					
Anti-Graffiti and Anti-Litter	0	0	0	0	0.00
Encampment Management	23,539,052	31,971,748	30,604,118	26,535,575	76.50
Illegal Dumping and Homeless Encampment Trash Collection and Abatement Services	0	188,429	192,466	192,466	1.00
Neighborhood Blight Reduction and Beautification	9,465,593	8,869,336	7,944,264	7,836,123	24.50
Youth Gang Prevention and Intervention	10,726,269	11,048,366	11,199,839	11,102,011	46.40
Sub-Total	**43,730,914**	**52,077,879**	**49,940,687**	**45,666,175**	**148.40**
Parks Maintenance and Operations					
Family Camp	1,227,247	1,178,013	1,232,727	1,497,573	9.12
Happy Hollow Park & Zoo	12,415,071	11,718,941	11,671,493	12,193,154	104.07
Neighborhood Parks and Regional Parks	38,608,484	40,901,982	40,914,688	41,967,355	188.42
Park Rangers	2,512,174	4,155,020	3,960,336	3,660,336	22.79
Parks Administration	6,479,990	7,350,491	3,695,932	3,745,932	12.60
Sports Fields Maintenance and Reservations	3,853,688	3,391,979	3,294,754	3,224,128	19.02

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

** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Volunteer, Adopt a Park, and Community Gardens	1,269,728	1,224,930	1,292,896	1,292,896	6.24
Sub-Total	**66,366,382**	**69,921,356**	**66,062,826**	**67,581,374**	**362.25**
Recreation Services					
Aquatics	1,163,364	1,454,569	1,483,720	1,483,720	13.91
Community Center Operations	23,187,297	24,591,200	25,037,132	24,599,375	194.23
Neighborhood Center Partners Program	2,514,462	2,430,924	2,364,397	2,364,397	10.80
Park Activation/Placemaking	2,414,681	2,867,280	2,891,372	2,589,686	13.52
Recreation Administration	2,823,496	2,115,034	2,147,578	1,962,629	6.50
Senior Services	1,094,320	4,215,286	2,226,528	2,226,528	2.50
Youth Services	61,811	0	0	0	0.00
Sub-Total	**33,259,431**	**37,674,293**	**36,150,727**	**35,226,335**	**241.47**
Strategic Support - Neighborhood Services					
Capital Budget and Project Management	880,512	1,017,580	765,557	765,557	4.10
PRNS Emergency Response and Recovery	5,299	0	0	0	0.00
PRNS Financial Management	3,311,922	3,332,165	3,281,178	3,171,279	16.40
PRNS Human Resources	1,436,927	1,266,376	1,271,438	1,101,040	7.73
PRNS Management and Administration	5,180,899	1,921,246	1,925,414	1,925,414	6.53
Sub-Total	**10,815,559**	**7,537,367**	**7,243,587**	**6,963,290**	**34.76**
Strategic Support - Other - Neighborhood Services					
PRNS Capital	5,307,617	3,293,410	1,074,449	1,074,449	3.20
PRNS Gifts	37,236	339,000	644,000	644,000	0.00
PRNS Other Departmental - City-Wide	7,671,053	2,061,235	1,458,000	1,508,000	0.00
PRNS Other Departmental - Grants	45,000	0	0	0	0.00

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

** 2024-2025 Actuals may not subtotal due to rounding.

Parks, Recreation and Neighborhood Services Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
PRNS Other Operational - Administration	558,476	0	0	0	0.00
PRNS Overhead	122,616	2,240,922	2,333,722	2,333,722	0.00
PRNS Transfers	0	0	0	1,600,000	0.00
PRNS Workers' Compensation	943,255	1,271,000	1,269,000	1,269,000	0.00
Sub-Total	**14,685,253**	**9,205,567**	**6,779,171**	**8,429,171**	**3.20**
Total	**$177,115,972**	**$184,717,738**	**$191,989,891**	**$189,968,238**	**930.01**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**843.53**	**161,391,063**	**141,574,457**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(2,645,752)	(2,645,752)
• Family Camp 2025 Season Closure		240,153	240,153
• Beautify San José Encampment Trash Collection and Recreational Vehicle Pollution Prevention Program		-	6,263,272
• Child and Youth Services Master Plan Implementation (1.0 Community Services Supervisor)	(1.00)	-	-
• Action Sports Park Service Delivery Change (Effective 2026-2027) (0.30 Community Services Aide PT, 1.0 Maintenance Worker I, 1.09 Recreation Leader PT, 1.0 Recreation Program Specialist, 1.96 Regional Park Aide PT, 1.0 Senior Recreation Leader)	(6.35)	(879,174)	(879,174)
• Senior Health and Wellness Grant Program Providers		(300,000)	(300,000)
• Citywide Sports Program		(217,020)	(217,020)
• Happy Hollow Park & Zoo Fee Activities		(213,437)	(213,437)
• Community Facilities District Landscape Maintenance Support		(127,042)	-
• Municipal Rose Garden Assistant Pilot Program		(41,400)	(41,400)
• Neighborhood Beautification Efforts		(35,000)	(35,000)
• Placemaking Fundraising Efforts		(26,000)	(26,000)
• Alma Senior Center and Camden Community Center		(8,319)	(8,319)
• Buena Vista Illegal Dumping Mitigation		(7,095)	(7,095)
• District 1 Leadership Group		(6,500)	(6,500)
• Council District 2 Enhanced Park Activations		(5,000)	(5,000)
One-time Prior Year Expenditures Subtotal:	**(7.35)**	**(4,271,586)**	**2,118,728**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Associate Architect/Landscape Architect to 1.0 Associate Structure/Landscape Designer - 1.0 Associate Structure/Landscape Designer to 1.0 Parks Maintenance Repair Worker II - 1.0 Golf Course Manager to 1.0 Parks Manager - 1.0 Heavy Equipment Operator to 1.0 Senior Heavy Equipment Operator - 1.0 Maintenance Assistant/Maintenance Worker I to 1.0 Parks Maintenance Repair Worker I/II - 1.0 Program Manager to 1.0 Parks Manager - 1.0 Recreation Superintendent to 1.0 Program Manager	0.00	2,474,109	2,787,353
• Amendment to the City Pay Plan for Various Classifications (City Council approval on March 5, 2024): Deletes 2.0 Community Activity Specialist	(2.00)	(269,885)	0

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
• Code of Conduct for Encampments (City Council approval on June 10, 2025): Shifts 2.0 Community Activity Worker to Housing Department	(2.00)	(201,314)	(201,314)
• Animal Care and Services Shift from Public Works Department (1.0 Analyst I/II, 19.0 Animal Care Attendant I/II, 13.07 Animal Care Attendant PT, 9.0 Animal Health Assistant/Animal Health Technician, 3.80 Animal Health Assistant PT, 13.0 Animal Service Officer, 7.0 Animal Shelter Coordinator, 3.0 Animal Shelter Veterinarian, 1.40 Animal Shelter Veterinarian PT, 1.0 Deputy Director, 5.0 Dispatcher, 1.0 Division Manager, 4.0 Office Specialist I/II, 1.0 Office Specialist I/II PT, 1.0 Program Manager, 1.0 Public Information Representative I/II, 1.0 Senior Account Clerk, 4.0 Senior Animal Services Officer, 1.0 Senior Facility Repair Worker, 3.0 Senior Office Specialist, 1.0 Senior Systems Applications Programmer, 1.0 Staff Specialist, 4.0 Supervisor, Animal Services Operations, 1.0 Volunteer Coordinator)	100.27	17,045,729	17,045,729
• Utilities: Electricity, Gas, Water		966,000	980,000
• Living Wage Adjustment		133,717	133,249
• Contract Services: Small Park Bayscape		71,401	71,401
• Supplies & Materials: Animal Care Services - Medical Supplies		50,000	50,000
• Contract Services: Security Services		35,498	35,498
• Vehicle Operations & Maintenance		33,850	(208,150)
• Contract Services: Animal Care Services - Medical and Lab Services		25,000	25,000
• Overtime Adjustment		12,054	12,054
• Supplies & Materials: Animal Care Services - Food Supplies		10,000	10,000
• Contract Services: Janitorial Services (Park Facilities)		5,553	5,553
• Part-Time Sick Leave Adjustment		3,862	3,862
• Contract Services: Lake Cunningham Security Services		(57,680)	(57,680)
• Contract Services: Guadalupe River Park Conservancy		(52,950)	(52,950)
Technical Adjustments Subtotal:	**96.27**	**20,284,944**	**20,639,605**
2026-2027 Forecast Base Budget:	**932.45**	**177,404,421**	**164,332,790**

Parks, Recreation and Neighborhood Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Budget Proposals Recommended			
1. Fee Programs Update	11.86	1,465,185	1,465,185
2. Alum Rock Park and City Parks/Open Spaces Vegetation Management		1,000,000	1,000,000
3. Animal Care and Services - Trap, Neuter, and Release and Spay and Neuter Services Expansion		289,000	289,000
4. New Parks and Recreation Facilities Operations and Maintenance		126,000	126,000
5. Park Concerns SJ311 Integration		50,000	50,000
6. Vehicle Operations and Maintenance (Fleet Staffing)		14,000	14,000
7. San José Youth Empowerment Alliance: Safe School Campus Initiative Staffing	0.00	0	0
8. San José Opioid Response Funding Shift	0.00	0	(68,543)
9. Beautify San José Program Optimization	(1.00)	(4,176,684)	(4,176,684)
10. San José Recreation Preschool Program	(4.58)	(439,240)	(439,240)
11. Nonfunctional Turf Removal Water Savings		(384,000)	(384,000)
12. Parks Maintenance Redistricting, Citywide Sports Programming, and Lease Management	(5.47)	(332,031)	(332,031)
13. Viva CalleSJ and Viva Parks Events	(0.25)	(301,686)	(301,686)
14. Park Ranger Vacancy Savings		(300,000)	(300,000)
15. Community Center Parks Facilities Supervisor	(1.00)	(184,949)	(184,949)
16. Recruitment Staffing	(1.00)	(170,398)	(170,398)
17. PRNS Revenue Collection Staffing Reduction	(1.00)	(109,899)	(109,899)
18. Happy Hollow Foundation		(93,325)	(93,325)
19. Parks Maintenance - Shift to In-House Fence Repairs		(25,798)	(25,798)
Total Budget Proposals Recommended	**(2.44)**	**(3,573,825)**	**(3,642,368)**
2026-2027 Proposed Budget Total	**930.01**	**173,830,596**	**160,690,422**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Fee Programs Update	**11.86**	**1,465,185**	**1,465,185**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Family Camp, Happy Hollow Park & Zoo, Neighborhood Parks and Regional Parks, and Sports Fields Maintenance and Reservations Programs

This action adds 11.86 positions and $630,277 non-personal/equipment funding ongoing to support fee program revenue at Happy Hollow Park & Zoo, Family Camp, Emma Prusch Farm Park, and the Citywide Sports fee programs. This action provides resources needed to adequately support and sustain current service delivery levels, offset by $2.0 million of additional revenue to match the high demand and intensive use of parks and fields. Attendance levels at Happy Hollow Park & Zoo have noticeably increased over the last several years; additional staffing of 3.60 part-time Recreation Leader positions is necessary to adequately serve park visitors, to support zoo programs, and to support extended operating hours. Additional non-personal/equipment funding of $375,000 ensures Happy Hollow's Picnic Basket food and catering operation can continue to support increased attendance and interest levels. The addition of 1.07 part-time Recreation Leader position and $195,000 of non-personal/equipment funding at Family Camp ensures sufficient support to maintain baseline operations and Camp programming, as well as provides for increasing food prices and waste hauling services for the season. An increase of 2.30 part-time Recreation Leader, 1.0 Zookeeper and 0.15 part-time Zookeeper positions and $60,000 of non-personal/equipment funding at Emma Prusch Farm Park is also included to address structural staffing and operational gaps in preschool and school-break camps programming. Finally, 3.74 part-time Recreation Leader positions are added to support the Citywide Sports fee program. The additional staffing – field marshals – provide field oversight that includes validation and enforcement of permit conditions, equitable and fair allocation of field time, and conflict resolution. (Ongoing costs: $1,471,266)

2. Alum Rock Park and City Parks/Open Spaces Vegetation Management		**1,000,000**	**1,000,000**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program

This action allocates the first year's funding of a three-year vegetation management effort at Alum Rock Park and other City parks and open spaces for a total amount of $1.0 million to address wildfire risk and public safety concerns. Alum Rock Park has historically been identified as high-risk, but there are also neighborhood parks and open spaces where unmanaged grasses and invasive vegetation contribute to hazardous conditions. Alum Rock Park's size, steep terrain, and extensive natural areas require ongoing vegetation management to maintain public safety, protect infrastructure, and preserve ecological health. The park is located within a high wildfire risk area, and accumulated vegetation, invasive species, and unmanaged fuel loads increase the potential for fire ignition and rapid spread, particularly along roadways, trails, and park boundaries. Funding will be used to immediately reduce risk in Alum Rock Park's highest hazard areas and most heavily used areas, treating high-use trails, roads, and grasslands. Contractual services (including work provided by the San Jose Conservation Corps) will reduce the existing backlog of fuel reduction and vegetation management at Alum Rock Park and City parks and open spaces, stabilize conditions across the park system, and prevent further accumulation of hazardous fuels. Funding to continue vegetation management in years two and three of the plan will be prioritized within the Parks and Community Facilities Development Capital Program during future budget development cycles. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Animal Care and Services – Trap, Neuter, and Release and Spay and Neuter Services Expansion		**289,000**	**289,000**

Neighborhood Services CSA
Animal Care and Services Core Service
Animal Licensing and Customer Services Program

As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by City Council, this action adds ongoing personal services funding of $106,500 and ongoing non-personal/equipment funding of $182,500 to support expanded spay and neuter services for the in-house Trap, Neuter, and Release (TNR) program and contracted veterinary services. Of the $289,000, approximately $189,000 will support expanding in-house TNR surgeries by one additional weekday. Effective January 2026, TNR services are provided two days per week for approximately eight hours per day, supporting an average of 25 surgeries per day. This action will add one additional eight-hour weekday of in-house TNR services, increasing capacity from 1,052 surgeries completed in 2024-2025 and 1,900 surgeries projected in 2025-2026 to approximately 3,200 surgeries annually through expanded weekday service availability. The remaining $100,000 will support increasing contracted veterinary services for spay and neuter surgeries outside the TNR program, such as owner surrender, foster, stray animals, or other surgeries to prepare animals for adoption. ACS completed 353 spay/neuter surgeries through contracted services in 2024-2025 and is projected to complete 360 surgeries in 2025-2026. This funding will expand contracted veterinary services and will support up to 600 additional surgeries, dependent on contractor scheduling availability and transportation staffing capacity. Expanding both the TNR program and contracted spay/neuter services will address recommendations related to capacity and shelter protocols in the City Auditor's Report 24-06 - Animal Care and Services: Addressing Capacity Constraints and Updating Shelter Protocols Will Help Improve Animal Outcomes. The audit found that while animal intakes decreased, the average length of stay increased, and that additional spay/neuter opportunities could help manage shelter populations. (Ongoing costs: $289,000)

4. New Parks and Recreation Facilities Operations and Maintenance		**126,000**	**126,000**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program

This action adds $126,000 ongoing in non-personal/equipment funding for supplies and materials to maintain North San Pedro Park and Spartan Keyes Area Park Development. This funding is supported through the liquidation of the New Parks and Recreation Facilities Operations and Maintenance Reserve established in the 2027-2031 General Fund Five-Year Forecast. (Ongoing costs: $233,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Park Concerns SJ311 Integration		**50,000**	**50,000**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Parks Administration Program

This action adds one-time non-personal/equipment funding of $50,000 to support the back-end integration of the City's park maintenance work order system with San José 311. This work effort will allow members of the public to report park issues via San José 311. Automatically converting a service request into a park maintenance work order ensures faster response times by eliminating the delays and errors associated with manual data entry. Park Concerns staff will still be available when personal interaction is needed, and this digital solution should ensure more staff capacity and improved efficiencies. (Ongoing costs: $6,440)

6. Vehicle Operations and Maintenance (Fleet Staffing)		**14,000**	**14,000**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program

This action adds non-personal/equipment funding of $14,000 for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. Parks, Recreation and Neighborhood Services proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $16,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. San José Youth Empowerment Alliance: Safe School Campus Initiative Staffing	**0.00**	**0**	**0**

Neighborhood Services CSA
Community Services Core Service
Youth Gang Prevention and Intervention Program

This action eliminates 1.0 vacant Youth Outreach Worker I position, vacant since May 2025, and adds 1.0 Community Coordinator position, shifting it from Beautify San José to the Safe School Campus Initiative (SSCI) program, which is funded within the San José BEST and Safe Summer Initiatives budget in the City-Wide Expenses section. SSCI offers crisis response to prevent and de-escalate incidents of violence on and around school campuses, teaches conflict mediation, and provides youth with positive role models. The Community Coordinator position will manage the SSCI team that responds to incidents on middle school campuses and incidents at priority schools. Additionally, the Community Coordinator will assign and supervise daily tasks for the team, directly coordinate with schools to address and prevent issues of violence on school campuses, and will manage the San José Works job program that connects youth to career pathways in high growth sectors including Information Technology, Healthcare, and Construction. (Ongoing costs: $0)

8. San José Opioid Response Funding Shift	**0.00**	**0**	**(68,543)**

Neighborhood Services CSA
Community Services Core Service
Encampment Management and Neighborhood Blight Reduction and Beautification Programs

This action shifts 0.5 Community Activity Specialist position on the BeautifySJ team from the General Fund to the San Jose Opioid Response Fund. The position will focus efforts along the No Encampment Zones city-wide (including 30+ waterway miles) and at other encampments throughout the city. The position will assist in the coordination of a bi-monthly collaboration meeting with SJPD, TRUST, County Behavioral and Mental Health, and Opioid Overdose Prevention Program funded agencies that have a specialty in working with the unhoused community; coordinate and distribute NARCAN and Opioid Test strips and educate them on how to use it; and provide educational materials to residents at encampment areas. With this funding shift, the position will work alongside a Therapeutic Specialist to help connect unhoused people to resources with a special focus on mental and behavioral health services. Funding is provided for one-time, with future year funding subject to further evaluation and prioritization. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Beautify San José Program Optimization	**(1.00)**	**(4,176,684)**	**(4,176,684)**

Neighborhood Services CSA
Community Services Core Service
Neighborhood Blight Reduction and Beautification and Encampment Management Programs

This action reduces Beautify San José's (BSJ) non-personal/equipment allocation by $4.2 million in 2026-2027 and $6.4 million ongoing and shifts 1.0 Community Coordinator position from BSJ's demobilized Waterways Team to the San José Youth Empowerment Alliance Safe School Campus Initiative (SSCI) team. This shift mitigates the elimination of a Youth Outreach Worker from SSCI, which is a team that provides crisis response to prevent and de-escalate incidents of violence on and around school campuses. The BSJ team has made significant strides in clearing large encampments, and as a result, abatement costs can be scaled back beginning in 2026-2027 and fully realized by 2027-2028, as the City transitions from less reliance on external vendors and Police Officer secondary employment costs that are necessary for large abatements. There are also a series of staffing shifts that will occur in 2026-2027, including reducing the Abatement Program from five teams to three, and eliminating the Waterways Abatement Team and redeploying other staff as follows: 1.0 Community Coordinator, 2.0 Community Activity Worker, 2.0 Therapeutic Specialist, and 5.0 Maintenance Worker I/II positions will be reassigned to the No Encampment Zone team, including a focus on keeping 30 miles of trails along waterways clear of debris and encampments; 1.0 Community Coordinator and 1.0 Community Activity Worker will manage the Personal Property Impound Process; 2.0 Community Activity Worker positions will support the Neighborhood Association Engagement Model to strengthen coordination with neighborhood associations; 1.0 Maintenance Worker I/II position will shift to the Illegal Dumping Team to proactively collect debris and support shopping cart retrieval; 1.0 Community Coordinator and 1.0 Community Activity Worker will support remediation and enforcement actions regarding graffiti and illegal dumping; and 1.0 Community Coordinator will be moved from BSJ to the San José Youth Empowerment Alliance SSCI team as described above. These shifts allow BSJ to retain sufficient capacity to manage the smaller scale abatements anticipated in the future, improve management of No Encampment Zones by achieving its internal target to resolve re-encampments within two business days 80% of the time, enable improved proactive and reactive blight reduction response, and better engage with neighborhood partners. (Ongoing savings: $6,430,159)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
10. San José Recreation Preschool Program	**(4.58)**	**(439,240)**	**(439,240)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Family Camp and Sports Fields Maintenance and Reservations Programs
Recreation Services Core Service
Community Center Operations Program

This action eliminates 2.0 Recreation Program Specialist positions and a total of 2.58 part-time positions currently supporting the San José Recreation Preschool (SJRP) program at multiple community centers. SJRP enrollment has decreased steadily since the 2018-2019 fiscal year, dropping from 722 enrolled children to 179 participants in 2025-2026. A key contributing factor to this decline is the statewide expansion of Universal Transitional Kindergarten (UTK), introduced in 2022-2023. UTK is a free public-school program that serves as the first year of a two-year kindergarten experience for all four-year-old children, regardless of income. With full implementation required by the 2025-2026 school year, UTK provides a developmentally appropriate, play-based curriculum.

SJRP currently offers half-day morning classes from 9:00 AM to 12:00 PM, Monday through Thursday, for children aged 3 to 5 years (though most children are 3 or barely 4 years old, as the UTK enrolls children aged 4-5), with a maximum capacity of 20 children per classroom. However, six program sites with the lowest enrollment levels have operated only a single class per site for the past four years, with Roosevelt and Mayfair Community Center having no participants for the past two years. This proposal recommends discontinuing SJRP programming at six of the program's 11 sites, with a reduction in preschool revenue of approximately $155,000 due to consistently low or declining participation and inability to meet minimum enrollment thresholds. The affected sites' average enrollment over the past four years has been: Calabazas (7 enrollees), Camden (12 enrollees), Mayfair (5 enrollees), Roosevelt (5 enrollees), Seven Trees (10 enrollees), and Willow Glen (average of 20 enrollees, but has experienced a sharp drop from 31 enrolled in 2022-2023 to 15 in 2025-2026). All of these sites have consistently operated below or just above the minimum enrollment threshold of 10 students in recent years and have faced ongoing challenges in sustaining viable class sizes.

Following this reduction, SJRP programming will continue at the following locations: Almaden, Berryessa, Evergreen, and Southside Community Centers, as well as the "Hatchery" Program at Emma Prusch Farm Park. Past enrollees at the closed sites will be provided the option to enroll at these remaining locations, with staff available to provide assistance, as appropriate. The Department's recreational preschool programs follow a structured, curriculum-based approach, but do not operate as full-day programs, which are therefore not subject to the same licensing requirements as educational preschool programs. Educational preschool requires state-issued childcare facility licenses, and instructors must meet established state standards and qualifications. Scholarship funding of $120,000 previously set aside for these recreational preschool programs will be redistributed to other areas of need. (Ongoing savings: $499,061)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
11. Nonfunctional Turf Removal Water Savings		**(384,000)**	**(384,000)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program

This action decreases the PRNS water budget by $384,000 ongoing, based on staff analysis to determine which areas in parks have nonfunctional turf that must no longer be watered beginning on January 1, 2027. The passage of California Assembly Bill 1572 (2023-2024) prohibits the use of potable (drinking) water for irrigation of nonfunctional turf beginning on January 1, 2027 for State and local government properties and January 1, 2031 for local government properties in disadvantaged communities. Nonfunctional turf is defined as grass that serves no practical purpose for human activity or recreation. This bill targets water waste, protects drinking water, and encourages more sustainable landscapes. To meet this mandate, PRNS will identify nonfunctional, underutilized or inaccessible turf, and over time, will reduce watering and repurpose these areas into urban forests, native and climate-appropriate gardens, or mulched open spaces. (Ongoing savings: $384,000)

12. Parks Maintenance Redistricting, Citywide Sports Programming, and Lease Management	**(5.47)**	**(332,031)**	**(332,031)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Sports Fields Maintenance and Reservations Program

This action eliminates 1.0 Sr. Recreation Leader, 1.0 Recreation Program Specialist, 1.0 Parks Maintenance Repair Worker, 1.02 Maintenance Assistant part-time positions (all filled), and 1.45 Recreation Leader part-time positions effective January 2027, as well as the ongoing elimination of $50,000 of non-personal/equipment funding. These cost saving actions will occur in concert with other staffing realignment efforts within the Department to more effectively deploy maintenance staff across the parks system – including a plan to increase the number of parks maintenance districts from six to seven – to continue to support the Citywide Sports Program and dedicate oversight for major leasing programs. The eliminated positions represent a portion of the staffing that is currently dedicated to sports programming and maintenance of the Arcadia Ballpark and the Police Activities League (PAL) Stadium Complex. Arcadia Ballpark will transition from a full onsite operations model – with dedicated reservation and programming, concessions, and maintenance staff – into a facility where reservations are managed through the Department's Citywide Sports Program field reservation system and the ballpark is maintained alongside other parks in a park maintenance district. This proposal is partially offset by $50,000 for the first year and $100,000 ongoing of Arcadia Ballpark field reservation revenue. While PAL-specific programming is currently overseen by the PAL Board and will continue, the maintenance of the facility will be incorporated into a park maintenance district's activities. Finally, the Parks, Recreation and Facilities Supervisor previously overseeing the Arcadia Ballpark will be redeployed to ensure sufficient attention and oversight to some of the Department's major leases, including the Municipal Golf Courses, Lake Cunningham, and possible concessions at large facilities such as Arcadia Ballpark and the Japanese Friendship Garden Tea House. To ensure an appropriate transition period given the significant staffing realignment, these changes will be effective beginning in January 2027. (Ongoing savings: $671,404)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
13. Viva CalleSJ and Viva Parks Events	**(0.25)**	**(301,686)**	**(301,686)**

Neighborhood Services CSA
Recreation Services Core Service
Park Activation/Placemaking Program

This action reduces non-personal/equipment funding ongoing of $290,000 and eliminates 0.25 Recreation Leader PT position and reduces the annual number of Viva CalleSJ events from three to two and reduces the number of Viva Parks events from 75 to 50. (Ongoing savings: $301,984)

14. Park Ranger Vacancy Savings		**(300,000)**	**(300,000)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Park Rangers Program

This action reduces personal services funding on a one-time basis by $300,000 to capture anticipated Park Ranger position vacancy savings. PRNS has a total of 11.0 Park Ranger positions; however, in a given year, only three to four of the positions are filled. As of March 2026, six of the 11 budgeted positions are vacant, the longest of which has been vacant since July 2024. This General Fund reduction assumes that at least two positions will remain vacant throughout 2026-2027, with no change to the current service level. (Ongoing savings: $0)

15. Community Center Parks Facilities Supervisor	**(1.00)**	**(184,949)**	**(184,949)**

Neighborhood Services CSA
Recreation Services Core Service
Recreation Administration Program

This action eliminates 1.0 vacant Parks, Recreation and Facilities Supervisor (PRFS) position that has been vacant since October 2025. Under this proposal, supervisory responsibilities at the community center would be redistributed and absorbed by existing PRFS staff, in addition to maintaining their current community center site and program responsibilities. The Bascom PRFS, who currently oversees Bascom Community Center, would also assume responsibility for Willow Glen Community Center. The Citywide Senior/Older Adult Services PRFS would add Cypress Community Center to their existing citywide responsibilities. The Seven Trees Community Center PRFS would also assume responsibility for Alma Community Center and the Senior Nutrition Program at Gardner Community Center. This reassignment increases workload and may impact operational efficiency and supervisory effectiveness by stretching their capacity. (Ongoing savings: $184,949)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
16. Recruitment Staffing	**(1.00)**	**(170,398)**	**(170,398)**

Neighborhood Services CSA
Strategic Support – Neighborhood Services Core Service
PRNS Human Resources Program

This action eliminates 1.0 Analyst position, vacant since September 2025, from the Human Resources (HR) and recruiting team. The Analyst's primary role is to support time-sensitive recruitments for seasonal programming, including summer camps, aquatics, and family camp. With the elimination of this position, the remaining HR and recruitment team – including 3.0 Analyst, 1.0 Senior Analyst, and 1.0 Program Manager positions – will redistribute these recruitment responsibilities and rely more on the Human Resources Department for recruitment support. Within the last year, PRNS and the HR Departments have successfully reduced PRNS Department's vacancy rate to 7.3%, down from approximately double that amount (14.0%) in previous years. (Ongoing savings: $174,084)

17. PRNS Revenue Collection Staffing Reduction	**(1.00)**	**(109,899)**	**(109,899)**

Neighborhood Services CSA
Strategic Support – Neighborhood Services Core Service
PRNS Financial Management Program

This action would eliminate a vacant 1.0 FTE Account Clerk II position within the PRNS Fiscal Unit. To maintain critical revenue collection functions, accounting, clerical and transactional duties performed by the Account Clerk II will be redistributed within the Fiscal Unit. This will cause slowdown in turnaround for purchase order and contract payment processing, with other Fiscal Unit clerical duties shifting to a Senior Office Specialist position in the Contracts & Procurement Unit. This reassignment will require the Senior Office Specialist to absorb additional clerical responsibilities, resulting in the reduction or elimination of existing administrative support provided to the Contracts and Procurement Unit and the Grant Making Unit. This restructuring prioritizes revenue collection and compliance functions while reducing centralized administrative capacity supporting contracts and procurement operations. (Ongoing savings: $112,050)

18. Happy Hollow Foundation		**(93,325)**	**(93,325)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Happy Hollow Park & Zoo Program

This action reduces non-personal/equipment funding for the Happy Hollow Foundation in the amount of $93,325, from $113,325 to $20,000. The Foundation raises funds to help provide upgrades to zoo exhibits and rides at Happy Hollow Park & Zoo, provide animal care and enrichment services, and support local and global conservation efforts. The City contributes funding annually to the Foundation and with this reduction, it would necessitate a continued shift toward private fundraising to sustain programs and operations. Given the Foundation's success in raising over $1.0 million as of calendar year ending December 31, 2025, it is well positioned to sustain operations with the City's reduced support. (Ongoing savings: $93,325)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
19. Parks Maintenance – Shift to In-House Fence Repairs		**(25,798)**	**(25,798)**

Neighborhood Services CSA
Parks Maintenance and Operations Core Service
Neighborhood Parks and Regional Parks Program

This action reduces ongoing non-personal/equipment funding by $25,798 by bringing fence repairs in-house. Park fences are frequently damaged along undeveloped land and trail corridors as individuals attempt to gain unauthorized access. PRNS typically contracts out fence repair to expedite the work without the need to redirect maintenance staff from other standard maintenance duties. With this action, maintenance staff will adjust workplans to accommodate in-house fence repair. (Ongoing savings: $25,798)

2026-2027 Proposed Budget Changes Total	**(2.44)**	**(3,573,825)**	**(3,642,368)**

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Animal Care and Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	Average length of stay per fiscal year (days) for:				
PM 1	- dogs	20	22	16	16
	- cats	14	15	12	14
	- other	29	20	11	20
PM 2	% of Priority 1 calls with response time in one hour or less. (Priority 1: injured or aggressive animal, or public safety assist)	97%	96%	96%	96%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Current Animals Licensed in San Jose[1]	59,071	60,000	48,323	60,000
AWH 2	# of animals adopted/rescued/returned	9,102	9,300	8,715	9,000
AWH 3	# of incoming animals	11,193	12,500	10,294	11,500
AWH 4	# of calls for service completed	17,266	17,000	18,221	18,500
AWH 5	# of spay/neuter surgeries	6,678	6,800	7,167	7,500

[1] Current metric and estimate are captured through Chameleon database. In 2026-2027, this metric will be captured by DocuPet. Forecast and Estimate based on Chameleon and may be updated based on DocuPet data.

Data Sources: Animal Care and Services

Number	Data Source
PM 1	Chameleon Database Animal's Average Stay at Shelter Report
PM 2	Chameleon Database Activity Statistics with Response Time Report
AWH 1	Chameleon Database Current SJ Lics-year end Report
AWH 2	Chameleon Database Kennel Statistics Report
AWH 3	Chameleon Database Kennel Statistics Report
AWH 4	Chameleon Database Activity Statistics with Response Time Report
AWH 5	Chameleon Database Spay Neuter Surgeries Report

Performance Summary

Community Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of graffiti service requests completed within 72 hours by graffiti eradication vendor (service requests reported by the public)	95%	95%	95%	95%
PM 2	% of encampments receiving on-time trash pickup (all encampments within the City's jurisdiction)	95%	90%	95%	95%
PM 3	% of Illegal Dumping (Priority 2) work orders completed within 5 business days	80%	80%	80%	80%
PM 4	% of participants who completed Youth Intervention Services (YIS) programs[1]	81%	85%	85%	85%
PM 5	% of participants who completed Bringing Everyone's Strengths Together (BEST) programs	97%	85%	85%	90%

[1] Includes Safe Schools Campus Initiative school incident response, Female Intervention Team Xinachtli Groups, Digital Arts, Clean Slate, and San José Works programs.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of Neighborhood Litter clean-up events coordinated/ # of locations (neighborhood, businesses, and waterways)	515/527	430/315	500/300	540/475
AWH 2	# of tons of illegal dumping collected (priority 2)	5,288	4,500	5000	5000
AWH 3	# of neighborhood dumpster days/ # of locations	155/132	150/110	150/130	150/130
AWH 4	# of interagency coordinated blight reduction activities (trash, dumping, graffiti)	309	400	400	450
AWH 5	# of residents enrolled in Cash for Trash	549	800	400	300[1]

[1] Beautify San José has had marked success in clearing large encampments and transitioning participants to housing. As a result, the # of residents in this program has declined and included in this budget is an action to shift a portion of Cash for Trash staff (from 7.0 to 4.0 positions) to other BSJ programs, including Personal Property Impound and No Encampment. Zone

Data Sources: Community Services

Number	Data Source
PM 1	PRNS App Order
PM 2	PRNS Survey123
PM 3	SJ311
PM 4	PRNS tracking
PM 5	BEST Demographics workbooks
AWH 1	Better Impact (software solution to manage volunteers) and PRNS tracking
AWH 2	SJ311
AWH 3	PRNS tracking
AWH 4	PRNS Survey123
AWH 5	PRNS tracking

Parks, Recreation and Neighborhood Services Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Parks Maintenance and Operations

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of park concerns completed within time standards established by PRNS	59%	60%	72%	60%
PM 2	% of residents reporting they visited a park more than seven times in the last year	53%	57%	51%	57%
PM 3	Maintenance dollars per developed park acre maintained (includes regional and neighborhood parks, trails, community centers and civic grounds, and community gardens)	$20,099	$19,066	$18,531	$20,702

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of customer parks concerns received	2,084	2,200	2,300	2,800
AWH 2	# of Adopted Parks	103	105	95	100
AWH 3	# of Volunteers (unduplicated total, department-wide)	25,012	25,000	26,550	26,500

Data Sources: Parks Maintenance and Operations

Number	Data Source
PM 1	Hexagon; park maintenance tracking system
PM 2	San José Community Survey 2025
PM 3	Internal worksheet - Maintenance Budget per Acre with Estimates
AWH 1	Hexagon; park maintenance tracking system
AWH 2	Adopt-A-Park Map: https://csj.maps.arcgis.com/apps/webappviewer/index.html?id=dd3542d532a642b398e60f3324a5c526
AWH 3	Better Impact (software solution to manage volunteers) and PRNS tracking

Parks, Recreation and Neighborhood Services Department

Performance Summary

Recreation Services

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of community center participants rating overall quality of programs and services as “good” or "excellent"	80%	80%	86%	80%
	*PM 2*	% of youth participants that make healthier decisions as a result of their participation in summer camps and after school programs	81%	80%	81%	80%
	*PM 3*	% of youth recreation classes and camps that utilize a scholarship opportunity	100%	100%	100%	100%
	*PM 4*	% of community center participants who feel connected to community center resources	83%	80%	92%	80%
	*PM 5*	% of community center participants reporting that services have positively impacted their quality of life	90%	90%	96%	90%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of scholarships granted	6,217	6,000	5,671	5,000
AWH 2	# of meals distributed through Senior Nutrition program	233,437	233,437	233,437	233,437
AWH 3	# of youth who participated in swim lessons[1]	818	800	1,259	1,000
AWH 4	# of youth participating in PRNS after school programs	2,523	2,000	2,096	1,500

[1] This represents the numbers for the summer season of Aquatics. For reference, the numbers used for 2024-2025 Actual were for summer season of 2024 (June, July, August 2024) and the 2026-2027 Forecast will be for summer season 2026 (June, July, August 2026)

Data Sources: Recreation Services

Number	Data Source
PM 1	PRNS Community Center Survey
PM 2	PRNS Community Center Survey
PM 3	PRNS Database Registration System (ActiveNet)
PM 4	PRNS Community Center Survey
PM 5	PRNS Community Center Survey
AWH 1	PRNS Database Registration System (ActiveNet)
AWH 2	Reimbursement Contract with the County of Santa Clara
AWH 3	PRNS Database Registration System (ActiveNet)
AWH 4	PRNS Database Registration System (ActiveNet)

Performance Summary

Strategic Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of grant agreements ready for agency signature before services begin (Safe Summer Initiative Grant (SSIG): June 1, Bringing Everyone's Strengths Together: September 1, BeautifySJ: date varies)	18%	70%[1]	25%	50%[1]

[1] PRNS continues to set aggressive targets for "percentage of grant agreements ready for agency signature before services begin". They have steadily improved their percentage of agreements ready; they achieved 11% in 2023-2024, 18% in 2024-2025, and an estimated 25% in 2025-2026.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of grant agreements with various agencies (Safe Summer Initiative Grant (SSIG), Bringing Everyone's Strengths Together, BeautifySJ)	125	115	139	95[1]

[1] The number of grant agreements in 2026-2027 is below 2024-2025 and 2025-2026 to reflect higher grant award amounts to fewer grant recipients.

Data Sources: Strategic Support

Number	Data Source
PM 1	PRNS Grants Contracts Tracker
AWH 1	PRNS Grants Payment Tracker

Parks, Recreation and Neighborhood Services Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Account Clerk I/II	4.00	3.00	(1.00)
Account Clerk I/II PT	0.97	0.97	-
Accounting Technician	3.00	3.00	-
Administrative Officer	1.00	1.00	-
Amusement Park Supervisor	1.00	1.00	-
Analyst I/II	28.00	28.00	-
Analyst I/II PT	0.50	0.50	-
Animal Care Attendant I/II	0.00	19.00	19.00
Animal Care Attendant PT	0.00	13.07	13.07
Animal Health Assistant/Animal Health Technician	1.00	10.00	9.00
Animal Health Assistant PT/Animal Health Technician PT	0.00	3.80	3.80
Animal Services Officer	0.00	13.00	13.00
Animal Shelter Coordinator	0.00	7.00	7.00
Animal Shelter Veterinarian	0.00	3.00	3.00
Animal Shelter Veterinarian PT	0.00	1.40	1.40
Assistant Arborist	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Swim Pool Manager PT	0.69	0.69	-
Assistant To The Director	1.00	1.00	-
Associate Architect/Landscape Architect	2.00	1.00	(1.00)
Associate Construction Inspector	1.00	1.00	-
Associate Structure/Landscape Designer	4.00	4.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Management Administrator	1.00	1.00	-
Chief Park Ranger	1.00	1.00	-
Class Instructor PT	25.50	24.72	(0.78)
Community Activity Specialist	8.00	6.00	(2.00)
Community Activity Worker	23.00	21.00	(2.00)
Community Coordinator	25.00	25.00	-
Community Services Aide PT	22.05	21.75	(0.30)
Community Services Supervisor	9.00	8.00	(1.00)
Cook FT	2.00	2.00	-
Cook PT	1.28	1.28	-
Deputy Director	4.00	5.00	1.00
Dispatcher	0.00	5.00	5.00
Director, Parks, Recreation and Neighborhood Services	1.00	1.00	-
Division Manager	7.00	8.00	1.00
Entertainment Coordinator	1.00	1.00	-
Events Coordinator I/II	8.00	8.00	-
Exhibit Designer/Builder	1.00	1.00	-
Food and Beverage Services Supervisor	1.00	1.00	-

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Food Service Coordinator	2.00	2.00	-
Gardener	28.00	28.00	-
Gerontology Specialist	1.00	1.00	-
Geographic Information Systems Specialist I/II	1.00	1.00	-
Golf Course Manager	1.00	0.00	(1.00)
Heavy Equipment Operator	3.00	2.00	(1.00)
Instructor Lifeguard PT	8.46	8.46	-
Kitchen Aide PT	2.20	2.20	-
Lifeguard PT	2.26	2.26	-
Maintenance Assistant/Maintenance Worker I	93.00	91.00	(2.00)
Maintenance Assistant PT	25.99	24.97	(1.02)
Maintenance Worker II	34.00	34.00	-
Office Specialist I/II	6.00	10.00	4.00
Office Specialist II PT	0.00	1.00	1.00
Park Ranger	11.00	11.00	-
Park Ranger Assistant PT	5.36	5.36	-
Park Ranger PT	0.18	0.18	-
Parks Maintenance Repair Worker I/II	19.00	20.00	1.00
Parks Manager	7.00	9.00	2.00
Parks, Recreation, & Facilities Supervisor	31.00	30.00	(1.00)
Planner I/II/III	2.00	2.00	-
Planner IV	1.00	1.00	-
Program Manager	11.00	12.00	1.00
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	4.00	5.00	1.00
Puppeteer PT	1.50	1.50	-
Recreation Leader PT	137.00	143.12	6.12
Recreation Program Specialist	48.00	44.00	(4.00)
Recreation Specialist	1.00	1.00	-
Recreation Superintendent	5.00	4.00	(1.00)
Regional Park Aide PT	10.65	8.69	(1.96)
Rides and Attractions Safety Coordinator	1.00	1.00	-
Security Officer	1.00	1.00	-
Security Officer PT	1.00	1.00	-
Senior Account Clerk	4.00	5.00	1.00
Senior Analyst	9.00	9.00	-
Senior Animal Services Officer	0.00	4.00	4.00
Senior Architect/Landscape Architect	1.00	1.00	-
Senior Construction Inspector	2.00	2.00	-
Senior Engineering Technician	1.00	1.00	-
Senior Events Coordinator	2.00	2.00	-

Parks, Recreation and Neighborhood Services Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Senior Facility Repair Worker	0.00	1.00	1.00
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	0.00	1.00	1.00
Senior Maintenance Worker	19.00	19.00	-
Senior Office Specialist	2.00	5.00	3.00
Senior Park Ranger	3.00	3.00	-
Senior Recreation Leader	14.00	12.00	(2.00)
Senior Recreation Leader PT	7.92	7.92	-
Senior Recreation Leader Teacher PT	1.92	1.92	-
Senior Systems Applications Programmer	0.00	1.00	1.00
Senior Therapeutic Treatment Specialist	1.00	1.00	-
Senior Zoo Keeper	2.00	2.00	-
Staff Specialist	7.00	8.00	1.00
Supervising Park Ranger	2.00	2.00	-
Supervisor, Animal Services Operations	0.00	4.00	4.00
Swimming Pool Manager PT	1.50	1.50	-
Therapeutic Specialist	13.00	13.00	-
Volunteer Coordinator	2.00	3.00	1.00
Youth Outreach Specialist	8.00	8.00	-
Youth Outreach Worker I	13.00	12.00	(1.00)
Youth Outreach Worker I PT	0.10	0.10	-
Youth Outreach Worker II	7.00	7.00	-
Zoo Curator	1.00	1.00	-
Zoo Education Specialist	1.00	1.00	-
Zoo Educator	3.00	3.00	-
Zoo Keeper	12.00	13.00	1.00
Zoo Keeper PT	2.50	2.65	0.15
Zoo Manager	1.00	1.00	-
Total Positions	**843.53**	**930.01**	**86.48**

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Planning, Building and Code Enforcement Department

Chris Burton, Director

MISSION

Facilitate the preservation and building of a safe, attractive, vibrant, and sustainable San José through partnership with and exceptional service to our diverse communities and customers

CITY SERVICE AREA

Community and Economic Development
Neighborhood Services

CORE SERVICES

CITYWIDE LAND USE PLANNING

Develop land use plans, policies, and ordinances to guide the future physical growth of the City.

DEVELOPMENT PLAN REVIEW AND BUILDING CONSTRUCTION INSPECTION

Manage and review private development and construction applications to allow issuance of permits in compliance with applicable codes and policies.

CODE ENFORCEMENT

Enforce and promote compliance with local and state codes to ensure a safe, healthy, and vibrant community.

Strategic Support: Administration, Clerical Services, Budget Preparation, Fiscal Services, Human Resources, Information Systems, Marketing and Outreach, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Citywide Land Use Planning Core Service	
Citywide Planning	Guides the physical design and development of San José by maintaining and updating the Envision San José 2040 General Plan; preparing and updating Urban Village Plans, Area Development Policies, and Specific Plans; conducting long-range planning studies and participating with local partners on regional planning; and updating City ordinances and policies as they relate to land use and development; and conducting data analysis.
Planning Environmental Review and Historic Preservation	Ensures compliance with state and federal environmental laws for San José's citywide land use planning and development review projects. The Historic Preservation Program seeks to identify, preserve, and protect buildings and resources of historical and cultural significance in San José.
Planning Administration	Provides administrative support to Citywide Planning and Planning Development Services for preparation of public hearings and land use entitlement documents; supports public records act requests for the Planning Division to foster transparency.
Development Plan Review and Building Construction Inspection Core Service	
Building Development Services	Ensures private development building projects in San José are built to meet City and State standards by providing customer information, supporting small businesses, conducting plan reviews, issuing building permits, and inspecting building projects to ensure compliance with applicable codes and regulations.
Planning Development Services	Ensures development within the City is consistent with the City's General Plan as well as state and local regulations by processing land use entitlement applications for consistency with land use policies, state environmental and housing laws, zoning regulations and design standards; reviewing building permit applications for consistency with the City's requirements and permit approvals; and providing land use and permitting information to the public.
Development Services Administration	Supports the Shared Resources Programs by providing oversight of information technology system development and maintenance support for the department and AMANDA integrated permit systems, processing customer document requests, scheduling building inspections, and assisting customers in person and by phone for appointments.
Code Enforcement Core Service	
Community Code Enforcement	Ensures the health and safety and quality of life for San José residents and businesses by enforcing the municipal code and land use requirements on private property.
Multiple Housing Code Enforcement	Ensures multifamily buildings are maintained in safe, decent, and sanitary conditions by conducting proactive, routine, and complaint-based inspections under the Multiple Housing Residential Occupancy Permit Program.
Solid Waste Code Enforcement	Regulates and inspects solid waste facilities to ensure that each permitted facility is in full compliance with federal, state, and local regulations governing health and operational standards.

Service Delivery Framework

PROGRAM	DESCRIPTION
Code Enforcement Core Service	
Code Enforcement Administration	Provides management and oversight to the Code Enforcement Division along with administrative and analytical support, budget preparation, billing, and monitoring.
Strategic Support Core Service	
PBCE Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
PBCE Management and Administration	Provides administrative oversight for the department, including executive management, employee services, human resources, grant tracking/reconciliation, contract management and analytical support.
PBCE Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Continue the General Plan Four-Year Review and advance related General Plan and Zoning Ordinance amendments, including initiation of the Supplemental Environmental Impact Report (SEIR).
- Implement Housing Element programs through ongoing monitoring, data analysis, and completion of policy strategies.
- Monitor and respond to changes in state law to ensure timely implementation of new requirements. Bring the Eastside Alum Rock Urban Village Plan and Five Wounds Urban Village Plan forward for City Council consideration.
- Continue to process entitlements and ministerial permits to further incorporate the review of projects with new state laws.
- Complete entitlement processing – development and environmental review for major real estate development projects.
- Continue Historic Preservation activities to support the analysis of Development Review, Permit Center and Environmental Review projects and inform the preparation of citywide urban village plans.
- Refine the Planning Division's public information service delivery and provide in-person general inquiry services.
- Continue the review and permitting for residential construction, including affordable and market-rate housing development, adaptive reuse of existing commercial to residential, SB 79, SB 9 units, and ADUs.
- Continue to provide permit and customer support in the community through the Pop-Up Permit Center.
- Continue to implement the Code Enforcement Transformation Work Plan to develop and optimize the workforce, improving operational and program performance, enhance customer service and communication, and ensure organizational readiness.
- Continue to respond to Code Enforcement complaints and conduct inspections for code violations citywide to address blight, substandard housing, illegal occupancy, unpermitted construction, etc., contributing to the overall health, safety, and quality of life of our residents, businesses, and the community.

2026-2027 Key Budget Actions

- Adds one-time funding of $500,000 in the Citywide Planning Fee Program Fund to complete a state-mandated Tri-Element General Plan update.
- As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, adds one-time funding of $250,000 in the General Fund to clean up the Historic Resources Inventory to clarify historic status and streamline the development review and environmental review processes for historical resources as approved by the City Council, and adds one-time personal services funding of $175,000 to continue the Enhanced Vacant Building and Storefronts Program and shifts funding for 0.60 Planner IV position to continue work that streamlines the City's environmental review process.

Operating Funds Managed

- Building Development Fee Program Fund
- Citywide Planning Fee Program Fund
- Planning Development Fee Program Fund

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Citywide Land Use Planning	7,419,797	8,081,613	6,705,857	7,583,806
Code Enforcement	13,626,879	15,268,981	14,903,828	15,148,828
Development Plan Review and Building Construction Inspection	43,561,119	44,633,964	44,609,856	44,818,460
Strategic Support - Community & Economic Development	4,013,740	3,265,278	3,405,903	3,252,542
Strategic Support - Neighborhood Services	861,714	578,664	571,571	554,530
Strategic Support - Other - Community & Economic Development	911,993	7,028,236	7,230,079	7,224,928
Strategic Support - Other - Neighborhood Services	30,470	142,882	132,878	132,878
Total	**$70,425,712**	**$78,999,618**	**$77,559,972**	**$78,715,972**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	59,303,078	66,473,026	66,578,721	66,776,258
Overtime	383,591	231,622	231,622	231,622
Subtotal Personal Services	$59,686,669	$66,704,648	$66,810,343	$67,007,880
Non-Personal/Equipment	3,292,931	5,429,965	3,774,172	4,737,786
Total Personal Services & Non-Personal/Equipment	**$62,979,600**	**$72,134,613**	**$70,584,515**	**$71,745,666**
Other Costs *				
City-Wide Expenses	899,139	233,133	35,000	35,000
Housing Loans and Grants	0	0	0	0
Other	0	35,833	33,860	33,860
Other - Capital	0	0	0	0
Overhead Costs	6,546,973	6,596,039	6,906,597	6,901,446
Total Other Costs	**$7,446,112**	**$6,865,005**	**$6,975,457**	**$6,970,306**
Total	**$70,425,712**	**$78,999,618**	**$77,559,972**	**$78,715,972**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	18,789,263	20,029,239	19,180,989	19,773,249
Airport Maintenance and Operation Fund (523)	68,196	0	0	0
Building Development Fee Program Fund (237)	38,187,429	43,389,923	43,440,950	43,739,685
Citywide Planning Fee Program Fund (239)	4,130,750	5,037,215	4,347,532	4,847,532
Community Development Block Grant Fund (441)	935,402	1,038,105	963,300	963,300
Fire Development Fee Program Fund (240)	68,198	157,976	110,980	114,591
Inclusionary Fee Fund (451)	20,237	27,602	25,976	25,976
Integrated Waste Management Fund (423)	220,362	298,386	324,424	325,301
Low and Moderate Income Housing Asset Fund (346)	211,710	237,356	251,712	251,712
Planning Development Fee Program Fund (238)	7,149,331	8,002,297	8,211,303	7,956,917
Public Works Development Fee Program Fund (241)	226,794	303,117	213,938	228,841
Rental Stabilization Program Fee Fund (450)	50,711	77,752	79,591	79,591
San José-Santa Clara Treatment Plant Operating Fund (513)	16,716	0	0	0
Sewer Service and Use Charge Fund (541)	123,340	164,161	160,149	160,149
Storm Sewer Operating Fund (446)	102,799	144,380	142,966	142,966
Capital Funds	124,474	92,109	106,162	106,162
Total	**$70,425,712**	**$78,999,618**	**$77,559,972**	**$78,715,972**
Positions by Core Service **				
Citywide Land Use Planning	30.55	29.38	27.47	27.93
Code Enforcement	71.64	73.77	73.77	73.77
Development Plan Review and Building Construction Inspection	184.34	182.31	184.22	185.26
Strategic Support - Community & Economic Development	13.15	12.88	13.88	12.98
Strategic Support - Neighborhood Services	3.13	2.77	2.77	2.67
Strategic Support - Other - Community & Economic Development	2.19	1.89	1.89	1.89
Total	**305.00**	**303.00**	**304.00**	**304.50**

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** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Planning, Building and Code Enforcement Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Citywide Land Use Planning					
Citywide Planning	6,930,553	7,865,212	6,594,100	7,472,049	27.64
Planning Administration	339,515	0	0	0	0.00
Planning Environmental Review and Historic Preservation	149,729	216,401	111,757	111,757	0.29
Sub-Total	**7,419,797**	**8,081,613**	**6,705,857**	**7,583,806**	**27.93**
Code Enforcement					
Code Enforcement Administration	690,959	561,474	456,604	456,604	2.40
Community Code Enforcement	7,233,218	7,627,378	7,563,827	7,808,827	36.85
Multiple Housing Code Enforcement	4,451,272	5,568,209	5,389,601	5,389,601	27.55
Solid Waste Code Enforcement	1,251,430	1,511,920	1,493,796	1,493,796	6.97
Sub-Total	**13,626,879**	**15,268,981**	**14,903,828**	**15,148,828**	**73.77**
Development Plan Review and Building Construction Inspection					
Building Development Services	34,962,504	35,501,285	35,716,424	36,012,298	144.37
Development Services Administration	2,418,930	2,945,081	2,528,205	2,649,319	10.85
Planning Development Services	6,179,685	6,187,598	6,365,227	6,156,843	30.04
Sub-Total	**43,561,119**	**44,633,964**	**44,609,856**	**44,818,460**	**185.26**
Strategic Support - Community & Economic Development					
PBCE Information Technology - Community and Economic Development	264,156	0	0	0	0.00
PBCE Management and Administration - Community and Economic Development	3,749,584	3,265,278	3,405,903	3,252,542	12.98
Sub-Total	**4,013,740**	**3,265,278**	**3,405,903**	**3,252,542**	**12.98**
Strategic Support - Neighborhood Services					

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

** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
PBCE Management and Administration - Neighborhood Services	861,714	578,664	571,571	554,530	2.67
Sub-Total	**861,714**	**578,664**	**571,571**	**554,530**	**2.67**
Strategic Support - Other - Community & Economic Development					
PBCE Other Departmental - City-Wide - Community and Economic Development	396,488	534,514	456,360	456,360	1.89
PBCE Other Departmental - Grants - Community and Economic Development	503,518	40,565	0	0	0.00
PBCE Other Operational - Administration - Community and Economic Development	11,987	0	0	0	0.00
PBCE Overhead - Community and Economic Development	0	6,453,157	6,773,719	6,768,568	0.00
Sub-Total	**911,993**	**7,028,236**	**7,230,079**	**7,224,928**	**1.89**
Strategic Support - Other - Neighborhood Services					
PBCE Other Departmental - Grants - Neighborhood Services	30,470	0	0	0	0.00
PBCE Overhead - Neighborhood Services	0	142,882	132,878	132,878	0.00
Sub-Total	**30,470**	**142,882**	**132,878**	**132,878**	**0.00**
Total	**$70,425,712**	**$78,999,618**	**$77,559,972**	**$78,715,972**	**304.50**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**303.00**	**72,134,613**	**19,796,106**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(238,793)	(188,793)
• General Plan Four-Year Review		(850,000)	0
• ProjectDox Software Upgrade		(280,000)	0
• CEQA Process Improvement	0.00	(250,000)	(531,752)
• Enhanced Vacant/Dangerous Downtown Building Inspection		(150,000)	(150,000)
• Code Enforcement Operational Assessment Report Implementation		(50,000)	(50,000)
One-time Prior Year Expenditures Subtotal:	**0.00**	**(1,818,793)**	**(920,545)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Assistant to the Director to 1.0 Analyst I/II - 2.0 Office Specialist to 2.0 Senior Office Specialist - 1.0 Senior Analyst to 1.0 Development Officer - 1.0 Senior Permit Specialist to 1.0 Principal Permit Specialist	0.00	52,099	66,840
• 2024-2025 Annual Report (City Council Approval 10/21/2025): Adds 1.0 Development Officer	1.00	203,588	203,588
• Vehicle Operations & Maintenance		13,000	0
• Fund Shift: Code Enforcement Staffing	0.00	11	0
• Fund Shift: Historic Preservation Staffing	0.00	0	0
• Fund Shift: Building Development Staffing	0.00	(3)	0
Technical Adjustments Subtotal:	**1.00**	**268,695**	**270,428**
2026-2027 Forecast Base Budget:	**304.00**	**70,584,515**	**19,145,989**

Planning, Building and Code Enforcement Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

		Positions	All Funds ($)	General Fund ($)
Budget Proposals Recommended				
1.	Tri-Element General Plan Update Consultant Services		500,000	0
2.	Historic Buildings Inventory		250,000	250,000
3.	Enhanced Vacant/Dangerous Downtown Building Inspection (Continuation)		175,000	175,000
4.	Building Development Fee Program Staffing	1.00	142,975	0
5.	Database Appliance Hardware Refresh		121,114	23,842
6.	Planning Development Fee Program Staffing	0.50	73,377	0
7.	Weed Abatement Contract Services		60,000	60,000
8.	Vehicle Operations and Maintenance (Fleet Staffing)		25,000	10,000
9.	Environmental Review Process Improvements Staffing (Continuation)	0.00	0	149,484
10.	Recruitment Staffing	(1.00)	(170,402)	(54,531)
11.	Permit Center Administration Staffing	0.00	(15,913)	(21,535)
Total Budget Proposals Recommended		**0.50**	**1,161,151**	**592,260**
2026-2027 Proposed Budget Total		**304.50**	**71,745,666**	**19,738,249**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Tri-Element General Plan Update Consultant Services		**500,000**	**0**

Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program

This action adds one-time non-personal/equipment funding of $500,000 in the Citywide Planning Fee Program Fund for consultant services to complete the state-mandated Tri-Element General Plan update, including Environmental Justice, Open Space, and Safety elements, within two years. The funding will allow Planning staff to meet state requirements while maintaining capacity to continue other mandated planning work identified in the Citywide Planning seven-year workplan. Consultant work will include legal analysis of State law, environmental justice and open space data analysis, policy development, community engagement, and California Environmental Quality Act (CEQA) analysis. One to two existing Citywide Planning staff will serve as project managers and oversee consultant work. This action supports timely completion of the update, preserves staff capacity for future mandated efforts such as the next Housing Element, and helps maintain eligibility for certain state funding programs. (Ongoing costs: $0)

2. Historic Buildings Inventory		**250,000**	**250,000**

Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program

In alignment with City Council's approval of the Mayor's March Budget Message for Fiscal Year 2026-2027, and the memorandum from the Mayor and Councilmembers Foley, Tordillos, Mulcahy, and Cohen approved by the Rules and Open Government Committee at their meeting on December 3, 2026, this action adds one-time non-personal/equipment funding of $250,000 to retain a qualified historic resources consultant to update the Historic Buildings Inventory. The consultant will document and evaluate properties currently listed in the inventory, which are 538 identified structures and 144 contributing structures and recommend whether they should be reclassified, reaffirmed, or removed if found ineligible. The work will clarify historic status earlier in the development process and streamline development and environmental review for historical resources. Completing this work proactively will reduce applicant costs and review time by conducting documentation and evaluation that would otherwise be required during project review. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Enhanced Vacant/Dangerous Downtown Building Inspection (Continuation)		**175,000**	**175,000**

Neighborhood Services CSA
Code Enforcement Core Service
Community Code Enforcement Program

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time personal services funding of $175,000 to continue temporary staffing for one additional year to support the Enhanced Vacant Building and Storefronts Program in Downtown San José. The position provides focused enforcement on chronically blighted and hazardous vacant buildings and storefronts through proactive inspections, complaint response, case documentation, and coordination with legal and community partners. The action maintains dedicated enforcement capacity for vacant and blighted properties in Downtown San José and allows for a Code Enforcement Inspector to conduct proactive inspections, respond to complaints, and follow ups on complex nuisance cases that existing citywide staffing cannot sustain at the same level. Currently, this inspector is managing a full caseload of 91 active code enforcement case; including 49 vacant properties and 22 proactive blight cases. A Manager's Budget Addendum will be released later in the budget process to assess the feasibility of updating the fee structure supporting this program to potentially sustain this work into future years. (Ongoing costs: $0)

4. Building Development Fee Program Staffing	**1.00**	**142,975**	**0**

Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Building Development Services Program

This action adds 1.0 Analyst I/II position in the Building Development Fee Program Fund to support performance measurement, customer service, and operational responsiveness in the Building Division. The position will analyze workload, evaluate operational processes, improve performance reporting, and help the Division respond to increasing workload complexity and state-imposed permit review timelines. This action is intended to improve service delivery by analyzing call center volume, time spent on calls, call center performance data, and the impact of providing next-day inspections for restaurant projects. The analysis will support efforts to improve Permit Center Intake turnaround time from 7 days to 5 days, Permit Center Issuance turnaround time from 9 days to 5 days, customer email response time from 10 days to 5 days, and commercial plan review time to first comments from 17 days to 14 days. The position will also establish a new tracking metric for ADUs to better measure residential plan review timelines. (Ongoing costs: $171,968)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
5. Database Appliance Hardware Refresh		**121,114**	**23,842**

Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Development Services Administration Program

This action adds one-time non-personal/equipment funding of $121,114 in various Development Fee Program Funds to replace two database appliances used to host the databases supporting the City's permitting and code enforcement systems. The replacement is needed because both appliances have reached the end of their standard lifecycle and are no longer within standard support. Continuing to rely on this hardware may result in reduced performance and reliability for applications supporting permit processing, inspections, code enforcement, and related revenue collection activities. Replacing the appliances will help maintain system stability, and availability for these core services. (Ongoing costs: $0)

6. Planning Development Fee Program Staffing	**0.50**	**73,377**	**0**

Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Program

This action adds a 0.50 Planner I/II/III Part-Time position in the Planning Development Fee Program Fund to support permit intake and zoning conformance review activities. The position will help reduce permit review delays, shorten lead times for application intake and fee processing, and improve response times to customer inquiries. The Planning Division Permit Center team performs key functions including processing planning permit applications, reviewing building permits for zoning compliance, and responding to planning and zoning inquiring from the public. This position will support fee-generating development review activities and help improve service capacity and reduce processing delays. The added capacity will assist the Planning Division in maintaining timely development review services and meeting legally required review timelines for certain permit types. This position is expected to improve service delivery by reducing overdue reviews, shortening wait times for appointments, and allowing supervisors and managers to focus on higher level review responsibilities. (Ongoing costs: $73,953)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Weed Abatement Contract Services		**60,000**	**60,000**

Neighborhood Services CSA
Code Enforcement Core Service
Community Code Enforcement

This action adds one-time non-personal/equipment funding of $60,000 for an anticipated payment to the County of Santa Clara for weed abatement services performed in calendar year 2025. The City expects to enter into an agreement with the County for their provision of weed abatement services within San José city limits. The agreement, similar to those for other cities in the County, is structured to bill participating cities for services performed in the prior calendar year. In most years, the County's weed abatement program is fully funded by property owners that pay a fee to the County for necessary weed abatement services. However, fewer parcels required abatement services in 2025, yielding lower program revenue and an overall funding shortfall for the County. The City's proportionate share of this shortfall is expected to be $60,000. The cost of this program will be monitored annually and future budget actions will be brought forward as necessary. (Ongoing costs: $0)

8. Vehicle Operations and Maintenance (Fleet Staffing)		**25,000**	**10,000**

Community and Economic Development CSA
Development Plan Review and Building Construction Inspection Core Service
Building Development Services Program

Neighborhood Services CSA
Code Enforcement Core Service
Community Code Enforcement Program

This action adds ongoing non-personal/equipment funding of $25,000, $10,000 in the General Fund and $15,000 in the Building Development Program Fee Program Fund, for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. Planning, Building and Code Enforcement proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $31,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Environmental Review Process Improvements Staffing (Continuation)	**0.00**	**0**	**149,484**

Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program
Development Plan Review and Building Construction Inspection Core Service
Planning Development Services Program

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action shifts funding for 60% of a Planner IV position from Planning Development Fee Program Fund to the General Fund on a one-time basis through June 30, 2027, to continue work that streamlines the City's environmental review process. The position will continue implementing recommendations from 2022 City Auditor report on the City's environmental review process (Audit Report 22-02), including completion of the environmental review handbook, development of standard permit conditions, and improvements to environmental review tracking within the AMANDA system. The position will also support environmental review for the General Plan Four-Year Review, including preparation of a Supplemental Environmental Impact Report and updates to the Transportation Analysis Policy and Greenhouse Gas Reduction Strategy. This position will also support environmental review for the Downtown ministerial ordinance and assist with implementation of recent State CEQA streamlining laws, including AB 130 and SB 131. Maintaining this position will support completion of near-term audit milestones by June 2026 and continued progress on remaining audit and General Plan environmental review work through June 2027. (Ongoing costs: $0)

10. Recruitment Staffing	**(1.00)**	**(170,402)**	**(54,351)**

Community and Economic Development CSA
Strategic Support – Community & Economic Development Core Service
PBCE Management and Administration - Community and Economic Development Program

Neighborhood Services CSA
Strategic Support – Neighborhood Services Core Service
PBCE Management and Administration - Neighborhood Services Program

This action eliminates 1.0 vacant Analyst I/II position in the Administrative Services Unit of the Planning, Building, and Code Enforcement Department. The position provides human resources support to the department, with a primary focus on recruitment-related services. Since the position has been vacant since February 2025, the recruitment activities are currently being provided by existing staff in the Human Resources Department. With this action, the duties and responsibilities will permanently shift to the Human Resources Department and will have no service level impacts. (Ongoing savings: $174,089)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
11. Permit Center Administration Staffing	**0.00**	**(15,913)**	**(21,535)**

Community and Economic Development CSA
Citywide Land Use Planning Core Service
Citywide Planning Program
Development Plan Review and Building Construction Inspection Core Service
Building Development Services and Planning Development Services Programs

This action adds 1.0 Senior Supervisor, Administration position in the Building Development Fee Program Fund and eliminates 1.0 vacant Planner I/II/III position assigned to the Planning Permit Center. The new position will provide unified operational oversight for the Building Division's call center, Permit Center Assistance Desk, and general inquiry functions, which currently report directly to the Division Manager despite serving the same customer base and handling related service requests. This action will improve coordination across customer service channels, support standardized training, align workflows, implement cross-training, and ensure consistent performance measurement. The Building Division teams supported by this change handle approximately 50,000 calls, 26,000 walk-in inquiries, and 20,000 emails annually, and the new position will improve service consistency, maintain coverage during staff absences, and support more reliable responses for residents, applicants, contractors, design professionals, and other customers. The elimination of the vacant Planner position will reduce dedicated Planning Permit Center staffing for general inquiries and pre-submittal customer service, with permit processing activities continuing to be supported by existing fee-funded staff and will result in an additional day of response time for general inquiries. (Ongoing costs: $8,839)

2026-2027 Proposed Budget Changes Total	0.50	1,161,151	592,260

Planning, Building and Code Enforcement Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Citywide Land Use Planning

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of work programs (i.e., General Plan Amendments, Urban Village Plans, Ordinances, etc.):				
	- Total in workplan (active and backlog)	53	70	61	70
	- Total active	37 (69%)	50 (70)%	45 (73%)	50 (70%)
	- Total completed	13	20	15	15
 *PM 2*	% of development entitled inside of growth areas by type:				
	- Residential (# units)	92%	84%	94%	93%
	- Commercial (sq.ft.)	92%	91%	91%	88%
 *PM 3*	Environmental Review:				
	- % of administrative drafts completed per time targets	48%	70%	55%	70%
	- Average review timelines for major environmental review documents (in months):				
	o Environmental Impact Report (EIR)	25.9	23	24	22
	o Mitigated Negative Declaration (MND) and Negative Declaration (ND)[1]	30.5	18	22	17
	o Addendum	16.2	12	10	12
 *PM 4*	% of historic preservation projects by type:				
	- Historic Resource Surveys	11%	14%	10%	15%
	- Historic Resource Inventory Updates	2%	6%	5%	5%
	- Property designations	5%	9%	0%	10%
	- Mills Act	0%	5%	0%	5%
	- Environmental review	12%	14%	10%	12%
	- Review of Discretionary Development				
	o Planning	13%	5%	12%	12%
	o Other City Departments	3%	3%	2%	3%
	- Review of Administrative Planning and Building Permits	14%	16%	15%	16%
	- Historic Landmarks Commission Administration	10%	27%	15%	15%

[1] Mitigated Negative Declaration and Negative Declaration use the same review process and have similar review times.

Planning, Building and Code Enforcement Department

Performance Summary

Citywide Land Use Planning

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of work programs (i.e., General Plan Amendments, Urban Village Plans, Ordinances, etc.):				
	- Total in workplan (active and backlog)	53	70	61	70
	- Total active	69%	50 (70)%	45 (73%)	50 (70%)
	- Total completed	13	20	15	15
AWH 2	# of privately-initiated General Plan Amendments	1	3	4	5
AWH 3	Community outreach efforts:				
	- # of attendees	889	650	860	750
	- # of meetings held	32	35	35	40
AWH 4	Environmental Review:				
	- # of administrative drafts completed	108	120	100	100
	- Total # of approved major environmental review documents:				
	o Environmental Impact Report (EIR)[1]	7	8	5	8
	o Mitigated Negative Declaration (MND)	11	15	12	15
	o Negative Declaration (ND)	0	1	0	1
	o Addendum	10	12	15	12
AWH 5	# of historic preservation projects by type:				
	- Historic Resource Surveys	2	2	0	1
	- Historic Resource Inventory Updates	2	0	50	50
	- Property designations	2	2	2	2
	- Mills Act	0	0	0	2
	- Environmental review	56	45	40	50
	- Review of Discretionary Development projects				
	o Planning	59	18	40	50
	o Other City Departments	12	14	10	12
	- Review of Administrative Planning and Building Permits	65	65	70	80
	- Historic Landmarks Commission Administration Hours	155	150	150	150

[1] Environmental Impact Report (EIR) data does not include Class 32 In-Fill exemptions included in Major Environmental Reviews.

Performance Summary

Citywide Land Use Planning

Data Sources: Citywide Land Use Planning

Number	Data Source
PM 1	Citywide Planning Dashboard
PM 2	Amanda Permit Data Analysis by General Plan team on Citywide Planning
PM 3	PBCE CSC Measures Data, AMANDA, Environmental Tracking Sheet
PM 4	AMANDA & Self tracking on excel
AWH 1	Citywide Planning Dashboard
AWH 2	Envision San Jose 2040 General Plan Annual Report
AWH 3	Envision San Jose 2040 General Plan Annual Report
AWH 4	Environmental Tracking Sheet
AWH 5	AMANDA & Self tracking on excel

Planning, Building and Code Enforcement Department

Performance Summary

Code Enforcement

Performance Measures

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
PM 1	% of new General Code Program cases receiving an initial inspection within targeted response times:				
	- Emergency Inspection within Target Response Times	99%	100%	100%	100%
	- Priority Inspection within Target Response Times	79%	80%	73%	77%
	- Routine Inspections within Target Response Times	70%	70%	64%	67%
PM 2	% of Multiple Housing Program buildings receiving a proactive, routine inspection within annual target by tier:				
	- Tier 1 (must be inspected once every 6 years)	75%	100%	47%[1]	100%
	- Tier 2 (must be inspected once every 5 years)	140%	66%	64%	100%
	- Tier 3 (must be inspected once every 3 years)	58%	100%	78%[1]	100%
★★★ *PM 3*	Violations Closed per Month (Multiple Housing Program)	699	808	848	817
PM 4	% of annual proactive inspections completed on schedule for fee-based Code Enforcement programs:				
	- Special Programs	92%	81%	91%	100%
	- Multiple Housing Program	98%	89%	66%[1]	100%

[1] The 2025-2026 Estimated is lower than the Forecast as a result of Inspector vacancies in the Multiple Housing Program, which resulted in a reduced number of inspections being completed.

Planning, Building and Code Enforcement Department

Performance Summary

Code Enforcement

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	General Code Program Complaint Cases:				
	- Opened	3,341	3,280	3,605	3,480
	- Resolved	3,292	3,130	3,465	3,380
AWH 2	Total # of Multiple Housing Program buildings proactively inspected	1,720	1,760	1,425	1,590
AWH 3	# of units inspected annually (Multiple Housing Program)	8,245	8,600	6,806[1]	7,530
AWH 4	Total # of inspections conducted for complaints (including initial, compliance, and re-inspections):				
	- General Code Program (non fee-based programs)	5,354	5,600	5,280	5,315
	- Multiple Housing Program	999	950	1,121	1,070
AWH 5	# of calls received by support staff	9,692	12,360	11,139	10,420

[1] The 2025-2026 Estimated is lower than the Forecast as a result of Inspector vacancies in the Multiple Housing Program, which resulted in a reduced number of inspections being completed.

Data Sources: Code Enforcement

Number	Data Source
PM 1	Code Enforcement Division Dashboard Crystal Report
PM 2	AMANDA database report
PM 3	Code Enforcement Division Dashboard Crystal Report
PM 4	AMANDA database report
AWH 1	Code Enforcement Division Dashboard Crystal Report
AWH 2	AMANDA database report
AWH 3	AMANDA database report
AWH 4	Code Enforcement Division Dashboard Crystal Report
AWH 5	Antigen Report

Planning, Building and Code Enforcement Department

Performance Summary

Development Plan Review & Building Construction Inspection

Performance Measures

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
PM 1	Building Plan Review and Inspections:				
	- Average # of days for Single Family Residential initial plan review:				
	o New construction	26	20	20	20
	o Additions or alterations	12	10	10	10
	- Average # of days for Commercial/Industrial tenant improvement initial plan review	13	10	10	10
	- Average # of days to next available inspection	4	2	2	2
	- Inspection utilization (daily capacity vs daily assignments dispatched)	103%	100%	100%	100%
★★★ *PM 2*	Development Services Call Center:				
	- Average call duration	7.6 min	5 min	5 min	5 min
	- Average hold time	5 min	2.5 min	2.5 min	2.5 min
PM 3	Average response time to initial email inquiries:				
	- Planning General Questions	4 bus. days	3-5 bus. days	4 bus. days	4 bus. days
	- Building's Customer Success Team	9.5 bus. days	3 bus. days	5 bus. days	3 bus. days
PM 4	Planning Development Review:				
	- Average wait time for application submittal appointment (in months)	1	1	2	1.5
	- % of 45-day comment letter issued on time	83%	85%	75%	80%
	- Average review cycle for completed projects	2.7	3	2.7	2.7
PM 5	Average weekly review rates of Planning Permit Center projects and inquires processed by type:				
	- Planning Review of Building Permits:				
	o Received	76	72	75	75
	o Reviewed	119	100	110	110
	- Administrative Planning Permits and Applications:				
	o Submitted	24	24	24	24
	o Completed	25	24	24	24
	- Planning General Questions:				
	o Received	94	90	92	92
	o Answered	84	80	85	85

Performance Summary

Development Plan Review & Building Construction Inspection

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Building Plan Review and Inspections:				
	- # building application intakes received (online portal and by staff in-person)				
	o Residential	25,216	25,500	25,500	26,000
	o Commercial/Industrial	1,271	1,300	1,300	1,300
	- # of plan checks				
	o Residential	3,619	3,300	3,300	3,400
	o Commercial/Industrial	1,082	1,100	1,100	1,150
	- # of building permits issued through SJPermits online portal				
	o Residential	19,377	20,000	20,000	20,000
	o Commercial/Industrial	290	300	300	300
	- # of building permits issued by staff in person				
	o Residential	5,976	5,300	5,300	5,500
	o Commercial/Industrial	1,155	1,100	1,100	1,100
	- # of field inspections				
	o Combination (Single Family Residential)	96,854	86,000	86,000	95,000
	o Specialty (Multifamily/Commercial/Industrial)	22,914	15,000	15,000	20,000
AWH 2	Development Services Call Center:				
	- # of calls answered	51,504	55,000	55,000	53,000
	- # of calls lost (hung up)	12%	7%	7%	7%
AWH 3	# of Planning Permit Center projects and inquires processed by type:				
	- Planning Review of Building Permits:				
	o Submitted	3,830	3,480	3,500	3,600
	o Reviewed	6,129	5,180	5,900	6,000
	- Administrative Planning Permits and Applications:				
	o Submitted	1,227	1,240	1,236	1,240
	o Completed	1,263	1,235	1,270	1,275
	- Planning General Questions:				
	o Received	4,869	5,470	5,100	5,200
	o Answered	4,346	4,430	4,400	4,400
AWH 4	Planning Development Review:				
	- # of applications submitted	530	500	500	500
	- # of 45-day comment letters sent	171	225	180	200
	- # of community meeting, ministerial project, and public hearing notices sent (initial and re-notices)	238,051	400,000	325,000	400,000
	- # of projects approved	348	296	350	350

Development Plan Review & Building Construction Inspection

Data Sources: Development Plan Review & Building Construction Inspection

Number	Data Source
PM 1	Yellowfin report 'Building RS_CI Application Process' for plan review data Inspection Module for inspection data
PM 2	Antigen Report
PM 3	FreshDesk queries
PM 4	Fullslate online appointment, AMANDA – PL-30 day letter report, ProjectDox and Tracking sheets
PM 5	AMANDA manual queries & AMANDA report – "Completed Planning Review in Building Folders," Outlook manual count (zoningquestions@sanjoseca.gov)
AWH 1	AMANDA database for intake, plan review, permit data Inspection activity (Checkerboard) Report) for inspection data.
AWH 2	Antigen Report
AWH 3	AMANDA manual queries & AMANDA report – "Completed Planning Review in Building Folders," Outlook manual count (zoningquestions@sanjoseca.gov)
AWH 4	Planning Application Submittals Total Counts, AMANDA – PL-30 day letter report, Logs, Hearing Agendas

Planning, Building and Code Enforcement Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	8.00	9.00	1.00
Assistant Director	1.00	1.00	-
Assistant to the Director	1.00	0.00	(1.00)
Associate Engineer	17.00	17.00	-
Building Inspection Manager	3.00	3.00	-
Building Inspector Combination Certified I/II/III/Sr	54.00	54.00	-
Building Inspector, Supervisor Certified I/II	15.00	15.00	-
Code Enforcement Inspector I/II	45.00	45.00	-
Code Enforcement Supervisor	8.00	8.00	-
Community Activity Worker	1.00	1.00	-
Deputy Director	3.00	3.00	-
Development Officer	0.00	2.00	2.00
Director of Planning, Building and Code Enforcement	1.00	1.00	-
Division Manager	9.00	9.00	-
Engineer I/II	3.00	3.00	-
Environmental Inspector I/II	3.00	3.00	-
Office Specialist	4.00	2.00	(2.00)
Permit Specialist/Senior Permit Specialist	20.00	19.00	(1.00)
Permit Specialist PT	1.00	1.00	-
Planner I/II/III	31.00	30.00	(1.00)
Planner I/II/III PT	0.00	0.50	0.50
Planner IV	11.00	11.00	-
Planning Technician	4.00	4.00	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	3.00	3.00	-
Principal Permit Specialist	6.00	7.00	1.00
Principal Planner	4.00	4.00	-
Program Manager	5.00	5.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Account Clerk	1.00	1.00	-
Senior Analyst	4.00	3.00	(1.00)
Senior Engineer	6.00	6.00	-
Senior Office Specialist	12.00	14.00	2.00
Senior Public Information Representative	1.00	1.00	-
Senior Supervisor, Administration	2.00	3.00	1.00
Staff Specialist	8.00	8.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Total Positions	**303.00**	**304.50**	**1.50**

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Police Department

Paul Joseph, Police Chief

MISSION

The San José Police Department is dedicated to providing public safety through community partnerships and 21st Century Policing practices, ensuring equity for all. The Department is committed to treating all of San Jose's diverse community members with dignity, fairness, and respect, while protecting their rights and providing equal protection under the law.

CITY SERVICE AREA

Public Safety

CORE SERVICES

CRIME PREVENTION AND COMMUNITY EDUCATION

Provide programs and services through community education and partnerships to reduce criminal activity and enhance public safety.

INVESTIGATIVE SERVICES

Provide for the objective examination of events through the collection of evidence, interviewing of witnesses, the interrogation of suspects, and other activities, to arrive at a resolution or successful prosecution.

REGULATORY SERVICES

Provide for the mandated regulation of businesses and activities and the issuance of those attendant mandated permits that are in the public interest.

RESPOND TO CALLS FOR SERVICE AND PATROL SUPPORT

Provide for 24-hour emergency and non-emergency police calls, which include, but are not limited to crimes against persons and property, disturbances, traffic accidents, disasters, and medical emergencies.

Strategic Support: Department Management, Public Information, Fiscal Integrity, Systems Availability, Recruiting/Training, Facilities and Vehicle Management, Wellness of the Workforce, Safety, and Emergency Response and Recovery

Police Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Crime Prevention and Community Education Core Service	
Crime Prevention	Provides community-oriented policing, community education programs, and problem-solving support for the Police Department and the community.
School Liaison / Truancy Abatement	Develops and maintains positive communications and relationships between the Police Department and the school districts within the city; supports truancy abatement services.
School Safety	Provides for the safety of school age children as they travel to and from school.
Investigative Services Core Service	
Assaults	Investigates assault cases, hate crimes, criminal threats, and brandishing weapons cases.
Court Liaison	Liaisons with the District Attorney's Office, seeks and processes criminal citations, and coordinates witnesses.
Crime Analysis	Identifies crime trends and crime patterns through analysis of crime data.
Family Violence	Uses a collaborative approach to provide a secure, comfortable and convenient location for victims of family violence in order to facilitate the investigation of their cases and seek the services necessary to ensure their continued safety and well-being.
Financial Crimes / Burglary	Provides police services to the community by investigating economic crimes.
Gang Investigations	Investigates gang-related crimes committed by members of criminal street gangs.
Homicide / Crime Scene	Provides for the investigation of all homicides, suspicious deaths, child deaths, in-custody deaths, and officer-involved fatal incidents.
Internal Affairs	Responsible for receiving, documenting, and investigating all citizen complaints, as well as Department-initiated investigations involving Department members.
Investigations Administration	Provides leadership and management for investigative services.
Juvenile / Missing Persons	Responsible for investigating a wide variety of cases involving juvenile offenders and for locating persons who are formally reported as missing from within the city.
Robbery	Conducts investigations of robberies, extortions, kidnappings, grand theft "purse snatch" cases, and other robbery-related crimes.

Service Delivery Framework

PROGRAM	DESCRIPTION
Investigative Services Core Service	
Sexual Assaults	Investigates sex offenses reported in the city.
Special Investigations	Collects, analyzes, and disseminates information on the criminal activities of organized crime groups, emerging criminal groups, public disorder and terrorist groups, and threats to public officials or private citizens.
Regulatory Services Core Service	
Cannabis Regulation	Maintains regulatory oversight for registered cannabis businesses including site inspections and investigation of Municipal Code violations.
Gaming Control	Maintains regulatory oversight for cardrooms including site inspections, background investigations on cardrooms' employees, investigation of Municipal Code violations, and conducting analysis of criminal activity relating to cardroom operations.
Permits	Maintains regulatory oversight for business permits such as taxi companies, tow companies, massage parlors, entertainment venues, gaming establishments, bingo parlors, and peddlers in accordance with the Municipal Code.
Respond to Calls for Service and Patrol Support Core Service	
9-1-1 Call Taking & Police Dispatch	Serve as the vital link between public safety and those who need assistance by answering and dispatching emergency and non-emergency calls in a timely, precise, and skilled manner.
Air Support	Provides aerial support for police ground units on matters relating to public and officer safety.
Airport Division	Provides basic police services as well as coordinates with partners to enforce the Airport Security Plan and ensure compliance with all FAA and TSA security directives, existing regulations, and emergency amendments at San José Mineta International Airport.
Downtown Services	Manages policing activities for events associated with the Downtown Entertainment Zone, including regulatory enforcement of the City's Entertainment and Conditional Use Permits at nightclubs and bars, enforcement of Alcoholic Beverage Control violations, cruise management traffic diversion, and patrol checks at parking garages in the Entertainment Zone.
Field Operations Administration	Provides leadership and management for field operations.
Field Patrol	Performs continuous patrol and response to calls for service to ensure immediate public safety.

Service Delivery Framework

PROGRAM	DESCRIPTION
Respond to Calls for Service and Patrol Support Core Service	
Metro	Performs a variety of functions, including street level narcotics enforcement, prostitution enforcement, tactical support for the MERGE Unit, augmenting the VCET Unit during upticks in violent gang crime, and various special assignments as needed.
Reserves / Volunteers	Manages volunteers who assist the Department for relief, special functions and community events.
Special Operations	Responds to high-risk incidents, including hostage/barricade situations, with specially trained and equipped staff.
Traffic Enforcement	Enforces traffic laws in order to reduce traffic collisions, their resulting injuries, and facilitates the safe and expedient flow of vehicular and pedestrian traffic.
Violent Crimes Enforcement	With a highly skilled and trained team, provides enforcement of crimes associated with violence related to criminal gang activity in an effort to reduce and prevent youth crime and violence.
Strategic Support Core Service	
Police Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Police Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Police Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Police Department Management and Administration	Provides executive-level, analytical and administrative support to the department.
Police Records	Manages and maintains local, state and federal databases in order to assist in the identification, apprehension and prosecution of criminal offenders, and to ensure officer and public safety.
Police Research and Development	Performs research and preparation of complex reports and projects involving inter-departmental issues and intergovernmental topics as well as coordinates release of information in accordance with the California Public Records Act.
Police Training and Academy	Delivers constantly updated training programs that support the Department's commitment to excellence, reflecting the highest professional standards in managerial, operational, and personal performance.
Police Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Maintain a vibrant, safe community by delivering high quality police services.
- Continue to provide effective and timely response to calls for service.
- Improve the Police Department's positive relationship with the community, which is critical in patrolling the city and investigating crimes and enabling quick resolution of the most serious crimes.
- Continue striving to reduce crime rates, conduct investigations effectively, and deter violence.
- Work collaboratively with the community to enhance public safety, finding innovative and effective strategies for problem solving.
- Continue the redistricting project to realign the Police Department division, district, and beat boundaries to effectively distribute police resources that account for future population growth, economic development, and community needs. The updated patrol model anticipated for November 2026 will ensure optimal availability of resources and efficient delivery of police services.

2026-2027 Key Budget Actions

- As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by City Council, adds ongoing non-person/equipment funding of $750,000 for a next-generation artificial intelligence reporting automation platform that is currently being successfully piloted.
- Adds $1.9 million for a one-time buydown of compensatory time for eligible employees per the City Council-approved agreement with the San Jose Police Officers' Association.
- Adds overtime funding of $1.0 million in 2026-2027 ($2.0 million ongoing) as part of a multi-year effort to right-size the Police Department's overtime budget and spending, including budget adjustments included in the 2026-2027 Base Budget and the redeployment of existing personnel to reduce overtime spending consistent with the Police Department Overtime Spending memorandum, approved by the City Council on March 10, 2026.
- Adds one-time non-personal/equipment funding of $915,000 to replace: 500 Kevlar helmets ($250,000); Dragon Runner 20 and Robot batteries ($153,200); MILO Range Theater ($130,000); Bomb Digital X-Ray ($116,000); 60 WRAP less-lethal restraint devices ($107,000); ballistic safety equipment, including shields, blankets and plates ($58,800); equipment for processing permit applications and issuing photo ID cards ($45,000); academy mats ($30,000); and medical kits ($25,000).
- Eliminates 1.0 vacant Police Sergeant position that is assigned to the Police Administration Building's Main Lobby and reduces ongoing overtime funding of $125,000 for the closure of the lobby on Fridays.
- Defers the activation of the Police Training Center for two years, until 2028-2029, but will be reevaluated as part of the 2027-2028 Proposed Budget cycle and be prioritized for activation earlier than 2028-2029 should budgetary conditions improve.
- Eliminates 8.0 vacant Police Officer and 2.0 vacant Police Sergeant positions in the Police Department as part of an organization-wide effort to evaluate the elimination of vacant positions in consideration of vacancy status, recruitment history, and operational need.

Operating Funds Managed

- Edward Byrne Memorial Justice Assistance Grant
- Federal Drug Forfeiture Fund
- Supplemental Law Enforcement Services Fund
- State Drug Forfeiture Fund

Police Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Crime Prevention and Community Education	6,918,073	8,179,998	7,382,146	6,077,875
Investigative Services	102,106,282	107,095,455	115,591,364	114,648,464
Regulatory Services	4,429,600	4,544,814	4,389,872	4,434,872
Respond To Calls For Service and Patrol Support	369,946,218	391,968,844	417,484,476	420,870,997
Strategic Support - Other - Public Safety	22,670,295	27,450,512	11,412,340	11,412,340
Strategic Support - Public Safety	72,052,162	69,782,705	69,609,451	69,642,251
Total	**$578,122,630**	**$609,022,328**	**$625,869,649**	**$627,086,799**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	443,214,778	493,126,454	533,636,225	531,604,375
Overtime	71,844,841	31,525,427	36,833,978	38,337,978
Subtotal Personal Services	$515,059,619	$524,651,881	$570,470,203	$569,942,353
Non-Personal/Equipment	40,869,146	50,200,599	43,987,106	45,732,106
Total Personal Services & Non-Personal/Equipment	**$555,928,765**	**$574,852,480**	**$614,457,309**	**$615,674,459**
Other Costs *				
City-Wide Expenses	8,774,120	14,972,532	107,500	107,500
General Fund Capital	9,959	6,665,000	0	0
Gifts	6,949	0	0	0
Housing Loans and Grants	0	0	0	0
Other	2,646,475	1,893,315	350,000	350,000
Other - Capital	0	0	0	0
Overhead Costs	34,350	200,001	182,840	182,840
Workers' Compensation	10,722,012	10,439,000	10,772,000	10,772,000
Total Other Costs	**$22,193,865**	**$34,169,848**	**$11,412,340**	**$11,412,340**
Total	**$578,122,630**	**$609,022,328**	**$625,869,649**	**$627,086,799**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Police Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	574,851,597	606,208,588	624,646,143	625,863,293
Airport Maintenance and Operation Fund (523)	129,048	160,464	162,366	162,366
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)	622,943	643,529	0	0
General Purpose Parking Fund (533)	276,651	350,000	350,000	350,000
Gift Trust Fund (139)	6,949	0	0	0
San José Opioid Response Fund (130)	1,764	49,000	0	0
Supplemental Law Enforcement Services Fund (414)	2,096,342	850,786	0	0
Capital Funds	137,336	759,961	711,140	711,140
Total	**$578,122,630**	**$609,022,328**	**$625,869,649**	**$627,086,799**
**Positions by Core Service ** **				
Crime Prevention and Community Education	64.61	63.61	61.61	52.82
Investigative Services	321.50	301.50	301.50	296.50
Regulatory Services	19.00	19.00	17.00	17.00
Respond To Calls For Service and Patrol Support	1,116.00	1,130.00	1,107.00	1,103.00
Strategic Support - Public Safety	220.50	221.50	222.50	222.50
Total	**1,741.61**	**1,735.61**	**1,709.61**	**1,691.82**

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*** 2024-2025 Actuals may not subtotal due to rounding.
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Police Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Crime Prevention and Community Education					
Crime Prevention	2,124,262	2,460,398	2,458,009	2,458,009	13.00
School Liaison/Truancy Abatement	1,736,219	2,239,853	1,439,488	435,217	0.00
School Safety	3,057,592	3,479,747	3,484,649	3,184,649	39.82
Sub-Total	**6,918,073**	**8,179,998**	**7,382,146**	**6,077,875**	**52.82**
Investigative Services					
Assaults	5,558,090	6,518,461	7,021,593	7,021,593	20.00
Court Liaison	2,420,875	2,365,526	2,781,898	2,781,898	13.00
Crime Analysis	2,829,003	3,027,564	3,077,450	3,077,450	15.00
Family Violence	6,926,729	7,567,569	8,109,069	7,836,489	23.00
Financial Crimes/Burglary	5,472,005	5,964,436	6,176,687	5,904,107	17.00
Gang Investigations	3,326,094	5,083,159	5,568,010	5,295,430	15.00
Homicide/Crime Scene	15,323,458	12,202,028	13,236,403	13,236,403	32.00
Internal Affairs	8,086,657	7,709,872	8,619,604	8,619,604	19.00
Investigations Administration	9,976,567	13,034,902	13,666,823	13,666,823	24.00
Juvenile/Missing Persons	1,198,175	1,697,030	1,861,622	1,861,622	5.50
Robbery	5,670,342	4,982,616	5,445,699	5,445,699	14.00
Sexual Assaults	19,146,383	19,674,053	21,140,420	20,595,260	53.00
Special Investigations	16,171,904	17,268,239	18,886,086	19,306,086	46.00
Sub-Total	**102,106,282**	**107,095,455**	**115,591,364**	**114,648,464**	**296.50**
Regulatory Services					
Cannabis Regulation	633,982	593,938	595,826	595,826	2.00
Gaming	1,703,592	1,823,501	1,489,518	1,489,518	5.00
Permits	2,092,026	2,127,375	2,304,528	2,349,528	10.00

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Sub-Total	**4,429,600**	**4,544,814**	**4,389,872**	**4,434,872**	**17.00**
Respond To Calls For Service and Patrol Support					
9-1-1 Call Taking & Police Dispatch	34,083,962	38,185,660	35,164,933	35,164,933	162.50
Air Support	4,328,520	3,733,383	3,700,845	3,700,845	7.00
Airport Division	11,059,121	11,709,283	13,219,425	13,219,425	11.00
Downtown Services	2,571,493	3,291,595	3,614,120	3,614,120	7.00
Field Operations Administration	8,764,038	6,799,732	7,139,445	6,965,568	21.00
Field Patrol	263,308,337	274,789,585	302,689,147	306,004,036	770.00
Metro	8,267,914	10,241,704	11,189,721	11,189,721	28.00
Police - Reserves Unit	1,508,422	1,381,299	1,369,631	1,369,631	6.50
Special Operations	22,849,704	25,417,469	21,201,720	21,906,340	46.00
Traffic Enforcement	7,362,278	10,871,211	11,992,055	11,532,944	28.00
Violent Crimes Enforcement	5,842,429	5,547,923	6,203,434	6,203,434	16.00
Sub-Total	**369,946,218**	**391,968,844**	**417,484,476**	**420,870,997**	**1,103.00**
Strategic Support - Other - Public Safety					
Police Capital	305,967	0	0	0	0.00
Police Gifts	6,949	0	0	0	0.00
Police Other Departmental - City-Wide	1,244,948	6,128,719	457,500	457,500	0.00
Police Other Departmental - Grants	9,860,350	10,682,792	0	0	0.00
Police Other Operational - Administration	530,069	0	0	0	0.00
Police Overhead	0	200,001	182,840	182,840	0.00
Police Workers' Compensation	10,722,012	10,439,000	10,772,000	10,772,000	0.00
Sub-Total	**22,670,295**	**27,450,512**	**11,412,340**	**11,412,340**	**0.00**
Strategic Support - Public Safety					

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** 2024-2025 Actuals may not subtotal due to rounding.

Police Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Police Department Management and Administration	9,163,959	7,919,262	8,347,866	8,347,866	11.00
Police Emergency Response and Recovery	309	0	0	0	0.00
Police Financial Management	3,655,041	3,396,344	3,356,791	3,356,791	16.00
Police Human Resources	11,541,085	10,653,143	11,037,386	11,137,386	32.00
Police Information Technology	10,158,934	11,693,785	11,425,079	11,725,079	28.00
Police Records	11,897,230	12,095,920	12,242,890	12,242,890	80.50
Police Research and Development	4,306,172	4,285,980	4,568,710	4,568,710	16.00
Police Training and Academy	21,329,432	19,738,271	18,630,729	18,263,529	39.00
Sub-Total	**72,052,162**	**69,782,705**	**69,609,451**	**69,642,251**	**222.50**
Total	**$578,122,630**	**$609,022,328**	**$625,869,649**	**$627,086,799**	**1,691.82**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**1,735.61**	**574,852,480**	**574,132,056**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(6,831,636)	(6,831,636)
• 2026 Sporting Events - Police Department		(3,000,000)	(3,000,000)
• Police Department Equipment Replacement		(985,000)	(985,000)
• Coyote and Guadalupe River Trail Patrol		(650,000)	(650,000)
• Police Department Neighborhood Quality of Life Unit		(389,181)	(389,181)
• Custody Transport Officer Unit		(305,254)	(305,254)
• Child Forensic Interviewer		(261,000)	(261,000)
• Front Lobby Hours – Saturday and Sunday Closure		(224,096)	(224,096)
• Police Officer Lateral Incentive Program		(200,000)	(200,000)
• Sworn and Non-Sworn Backgrounding		(200,000)	(200,000)
• San José Police Foundation		(25,000)	(25,000)
One-Time Prior Year Expenditures Subtotal:	**0.00**	**(13,071,167)**	**(13,071,167)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Office Specialist to 1.0 Staff Specialist - 1.0 Senior Office Specialist to 1.0 Police Data Specialist II	0.00	48,844,965	48,874,723
• Bay Area Rapid Transit Patrol (Contract Expiration): Deletes 6.0 Police Officer and 1.0 Police Sergeant	(7.00)	(2,641,750)	(2,641,750)
• Cardroom Regulation Fee (City Council approval on August 19, 2025): Deletes 1.0 Senior Auditor and 1.0 Staff Specialist	(2.00)	(339,507)	(339,507)
• Police Department Overtime Spending (City Council approval on March 10, 2026): Deletes 17.0 Police Officer and reallocates savings ($4.9 million) to overtime	(17.00)	0	0
• Overtime Adjustment		4,392,295	4,392,295
• Vehicle Operations & Maintenance		603,325	603,325
• Police Training Center Maintenance and Operations		526,000	526,000
• Contract Services: County Crime Lab		461,570	461,570
• Contract Services: Phlebotomy and Lab Services		292,000	292,000
• Supplies and Materials: Ammunition		185,000	185,000
• Utilities: Electricity, Gas, Water		125,000	125,000
• Contract Services: Sexual Assault Forensic Exam (SAFE) Services		85,000	85,000
• Software/Information Services: South Bay Information Sharing System (SBISS) CopLink		80,686	80,686
• Field Training Officer Adjustment		60,940	60,940
• Contract Services: Temporary Board-ups		50,000	50,000
• Insurance: Aircraft		50,000	50,000
• Contract Services: Tow Service Program		34,683	34,683
• Software/Information Services: NetMotion Mobility		23,000	23,000

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Technical Adjustments to Costs of Ongoing Activities			
• Contract Services: Records Management System Support		20,000	20,000
• Software/Information Services: Geographic Information Services Software		15,000	15,000
• Night Shift Differential Adjustment		13,934	13,934
• MERGE Unit Adjustment		9,974	9,974
• Contract Services: Force Management and Early Intervention		9,723	9,723
• Motorcycle Unit Adjustment		8,435	8,435
• Canine Unit Adjustment		7,514	7,514
• Software/Information Services: APX Next Radios		6,536	6,536
• Software/Information Services: Badge Access Control System		6,000	6,000
• Software/Information Services: Mobile Identification		4,800	4,800
• Living Wage Adjustment		3,858	3,858
• Software/Information Services: False Alarm Software Maintenance		3,800	3,800
• Bomb Squad Adjustment		3,442	3,442
• Community-Based Organization/Service Delivery Partner: YWCA Solutions to Domestic Violence		3,377	3,377
• Software/Information Services: Latent Case Management Software		2,744	2,744
• Contract Services: Security Alarm Services		2,500	2,500
• Software/Information Services: Workforce Scheduling System		2,300	2,300
• Supplies and Materials: Airport Division		1,830	1,830
• Community-Based Organization/Service Delivery Partner: Truancy Abatement and Burglary Suppression Counseling		1,750	1,750
• Contract Services: Hazardous Material Removal		1,000	1,000
• Community-Based Organization/Service Delivery Partner: San Jose Police Chaplaincy Program		766	766
• Community-Based Organization/Service Delivery Partner: Crisis Intervention for Youth		506	506
• Budget Program Realignment: Police Information Technology		0	0
• Budget Realignment: Operations		0	0
• Contract Services: Psychiatric Emergency Response Team		(230,000)	(230,000)
• Software/Information Services: Automated License Plate Readers Data Storage		(57,000)	(57,000)
Technical Adjustments Subtotal:	**(26.00)**	**52,675,996**	**52,705,754**
2026-2027 Forecast Base Budget	**1,709.61**	**614,457,309**	**613,766,643**

Police Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Budget Proposals Recommended			
1. Police Sworn Compensatory Time Buydown		1,900,000	1,900,000
2. Bureau of Field Operations Overtime		1,000,000	1,000,000
3. Police Department Equipment Replacement		915,000	915,000
4. Artificial Intelligence Report Writing Tool		750,000	750,000
5. Coyote and Guadalupe River Trail Patrol (Continuation)		650,000	650,000
6. Automated License Plate Reader Cameras		420,000	420,000
7. Mobile Data Computer Network and Active Directory Migration		300,000	300,000
8. Vehicle Operations and Maintenance (Fleet Staffing)		138,000	138,000
9. Sworn and Non-Sworn Backgrounding		100,000	100,000
10. Unstaffed Unit Reduction	(10.00)	(3,098,862)	(3,098,862)
11. Police Training Center Opening Two-Year Deferral		(778,000)	(778,000)
12. Police Administration Building Front Lobby Hours - Friday Closure	(1.00)	(605,111)	(605,111)
13. School Crossing Guard Program	(5.79)	(300,000)	(300,000)
14. Bureau of Field Operations Administrative Staffing	(1.00)	(173,877)	(173,877)
Total Budget Proposals Recommended	**(17.79)**	**1,217,150**	**1,217,150**
2026-2027 Proposed Budget Total	**1,691.82**	**615,674,459**	**614,983,793**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Police Sworn Compensatory Time Buydown		**1,900,000**	**1,900,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol Program

This action adds personal services funding of $1.9 million to fund the one-time buydown of compensatory time for employees under the City Council-approved bargaining unit agreement with the San Jose Police Officers' Association (POA). As approved by the City Council on September 30, 2025, the agreement reduces the compensatory time cap from 480 hours to 440 hours. Employees with compensatory time balances in excess of the new compensatory time cap shall have those excess hours paid out in cash, which is preliminarily estimated to be $1.9 million in 2026-2027. The actual amount will vary dependent on actual leave balances. (Ongoing costs: $0)

2. Bureau of Field Operations Overtime		**1,000,000**	**1,000,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol Program

This action adds overtime funding of $1.0 million in 2026-2027 ($2.0 million ongoing) as part of a multi-year effort to right-size the Police Department's overtime budget and spending, including budget adjustments included in the 2026-2027 Base Budget and the redeployment of existing personnel to reduce overtime spending as included in the Police Department Overtime Spending memorandum, approved by the City Council on March 10, 2026. Even with the actions approved in the memorandum, an additional $6 - $8 million will likely be needed to align service level need with budgetary capacity. In particular, this action increases the overtime budget in 2026-2027 to address staffing costs related to demonstrations and large-scale community events. The Police Department deploys staff and resources, previously unbudgeted, at public events like Cinco de Mayo ($580,000), protests ($350,000), conferences ($50,000) and concerts ($20,000) to provide crowd control and management, deter threats, and respond to emergencies, accidents, or criminal activities to ensure the public's safety. The additional $1.0 million increase in 2027-2028 will help to further right-size the overtime budget as part of a multi-year effort to align budgeted resources with the increasing demand and complexity of modern policing; however, continued efforts to monitor and control overtime use will remain necessary for the foreseeable future. (Ongoing costs: $2,000,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
3. Police Department Equipment Replacement		**915,000**	**915,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol and Special Operations Programs

Public Safety CSA
Regulatory Services Core Service
Permits Program

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Training and Academy Program

This action adds one-time non-personal/equipment funding of $915,000 to replace the following equipment:

- 500 Kevlar helmets ($250,000);
- Dragon Runner 20 and Robot batteries ($153,200);
- MILO Range Theater ($130,000);
- Bomb Digital X-Ray ($116,000);
- 60 WRAP less-lethal restraint devices ($107,000);
- Ballistic safety equipment, including shields, blankets and plates ($58,800);
- Equipment for processing permit applications and issuing photo ID cards ($45,000);
- Academy mats ($30,000); and
- Medical kits ($25,000)

This action is offset by a partial liquidation of the $1.0 million Police Equipment Replacement Sinking Fund Reserve that was established as part of the 2027-2031 General Fund Five-Year Forecast. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Artificial Intelligence Report Writing Tool		**750,000**	**750,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol Program

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds ongoing non-person/equipment funding of $750,000 for a next-generation artificial intelligence reporting automation platform that is currently being successfully piloted by the Police Department. Officers spend an average of nearly 5,000 hours per month drafting, revising, and validating reports, leading to overtime costs and fatigue, as well as reducing officer availability for fieldwork, proactive policing, and community engagement. During the pilot program, the new system has assisted officers in completing sensitive and multi-layered reports in under 15 minutes; whereas this work previously took the officers two hours. Additionally, documenting high-complexity calls for service is being completed in 20 minutes with exceptional accuracy during the pilot program; whereas this work previously took three and a half hours to complete. During the pilot program, the Police Department has tested the platform under complex scenarios and validated its accuracy and efficiency. While the final report must still be verified by officers for accuracy, the time savings in report preparation is expected to yield future overtime savings once fully implemented. (Ongoing costs: $750,000)

5. Coyote and Guadalupe River Trail Patrol (Continuation)		**650,000**	**650,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Special Operations Program

This action adds one-time overtime funding of $650,000 to continue supporting the Coyote Creek and Guadalupe River Trail Patrol program in partnership with the Santa Clara Valley Water District, which is expected to cover half of the patrol services ($325,000) cost. Previously funded on a one-time basis since 2021-2022, this continued funding provides a focused law enforcement presence by the San José Police Department on the section of the trail running along Coyote Creek between William Street and Tully Road, as well as the section of the Guadalupe River and the adjacent Guadalupe Gardens area. This funding will continue to support the trail patrol program by allowing one Police Officer and one Police Sergeant to perform eight-hour shift patrols for three to four days a week through 2026-2027. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
6. Automated License Plate Reader Cameras		**420,000**	**420,000**

Public Safety CSA
Investigative Services Core Service
Special Investigations Program

This action adds non-personal/equipment funding of $420,000 ($840,000 ongoing) to continue funding 300 Automated License Plate Readers (ALPRs) that are currently funded by State Organized Retail Theft (ORT) grant funding, which expires on December 31, 2026. This action allows the City to continue using the 300 existing cameras, allowing the Police Department to continue leveraging the ALPR technology as a core investigative tool to identify suspect vehicles, link crime series, and provide real-time situational awareness during active incidents. The Real Time Intelligence Center centrally manages, monitors, and analyzes ALPR data; the system is used daily by patrol units, investigative units, and command staff. Without ongoing funding, the 300 ALPR cameras would be decommissioned on January 1, 2027. (Ongoing costs: $840,000)

7. Mobile Data Computer Network and Active Directory Migration		**300,000**	**300,000**

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Information Technology Program

This action adds ongoing non-person/equipment funding of $300,000 to migrate the Police Department's Mobile Data Computer (MDC) network and on-premises Active Directory (AD) environment to new software. The new software will establish a unified, cloud-based identity platform for MDCs, and future applications, to improve system reliability, reduce authentication failures, decrease reliance on manual account management and overtime support, and strengthen cybersecurity risks. In addition, the Santa Clara County Sheriff's Office is implementing the Inmate Records Information System (IRIS) and are requiring all local law enforcement agencies to connect with the new system. The new MDC system will allow for integration with IRIS to support secure, timely inmate information sharing. (Ongoing costs: $300,000)

8. Vehicle Operations and Maintenance (Fleet Staffing)		**138,000**	**138,000**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol Program

This action adds non-personal/equipment funding of $138,000 for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described in the Public Works Department section of this document. The additional staffing will strengthen maintenance capacity and support increasing operational demands by expanding the frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This added capacity will improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. Police proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $166,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
9. Sworn and Non-Sworn Backgrounding		**100,000**	**100,000**

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Human Resources Program

This action continues and adds ongoing personal services funding of $100,000 for backgrounding in the Police Department's Human Resources Unit. Backgrounding new hires can average between three to four months, depending on psychological and medical examination for sworn positions, and between two to three months for other non-sworn positions. The number of backgrounds performed by the unit has steadily increased in recent years, from 551 between April 2023 and April 2024 to 928 between April 2025 and April 2026. These increases have led to a significant backlog, with backgrounds for Police Officers taking, on average, 72 days, and longer than three months for some positions. As the Department continues its recruitment efforts to fill vacant positions, the number of backgrounds performed is expected to remain high. An infusion of resources is necessary to keep up with the pace of the backgrounds for Police Recruits and other non-sworn staff. (Ongoing costs: $100,000)

10. Unstaffed Unit Reduction	**(10.00)**	**(3,098,862)**	**(3,098,862)**

Public Safety CSA
Crime Prevention and Community Education Core Service
School Liaison/Truancy Abatement Program

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Special Operations and Traffic Enforcement Programs

Public Safety CSA
Investigative Services Core Service
Family Violence, Gang Investigations, Sexual Assaults, and Financial Crimes/Burglary Programs

This action eliminates the following vacant positions – 8.0 Police Officer and 2.0 Police Sergeant – in the Police Department as part of an organization-wide effort to evaluate the elimination of vacant positions in consideration of vacancy status, recruitment history, and operational need:

- 1.0 Police Officer position in the Family Violence Unit;
- 1.0 Police Officer position in the Sexual Assaults Investigative Unit;
- 1.0 Police Officer position in the Financial Crimes Unit;
- 1.0 Police Officer position in the Gang Investigations Unit;
- 1.0 Police Officer position in the Special Victims Unit;
- 1.0 Police Sergeant in the Traffic Enforcement Unit;
- 1.0 Police Officer position in the Canine Unit; and
- 2.0 Police Officer and 1.0 Police Sergeant positions in the School Liaison Unit.

While these position eliminations will reduce the Police Department's overall sworn staffing positions, these positions have been vacant for an extended period of time and work from these positions has been absorbed by other staff or is less critical than other Department services. The impact to current service delivery is expected to be minimal. (Ongoing savings: $3,288,990)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
11. Police Training Center Opening Two-Year Deferral		**(778,000)**	**(778,000)**

Public Safety CSA
Strategic Support – Public Safety Core Service
Police Training and Academy Program

This action defers the activation of the Police Training Center for two years until 2028-2029. The Police Training Center was anticipated to be operational in late spring 2026; however, this opening was deferred as part of City Council's approval of the 2025-2026 Mid-Year Budget Review to partially address the $15 - $20 million revenue shortfall and in acknowledgment that a longer-term deferral was one of the many budget balancing strategies under consideration as part of the Proposed Budget development. Once activated, the Police Training Center will house Police Department training programs and special operations units. As a result of the delay in opening the new facility, the training programs and special operations units that are currently housed at police administration facilities will remain there until the Police Training Center is opened. As part of the 2027-2028 Proposed Budget cycle, the Police Training Center opening will be reevaluated and prioritized for activation earlier than 2028-2029 should budgetary conditions improve. (Ongoing savings: $778,000)

12. Police Administration Building Front Lobby Hours - Friday Closure	**(1.00)**	**(605,111)**	**(605,111)**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Patrol Program

This action eliminates 1.0 vacant Police Sergeant position that is assigned to the Police Administration Building's Main Lobby and reduces ongoing overtime funding of $125,000 for the Police Department to close the front lobby on Fridays. Currently the Police Department staffs the front lobby on Fridays with overtime slots and at times goes through periods in which it is not staffed at all on those days due to police staff not taking those overtime slots. As a result, Main Lobby hours will be reduced, and the lobby will be closed on Friday after it was closed on Saturdays and Sundays as part of the City Council approved 2025-2026 Adopted Operating Budget; the lobby typically sees the lowest visitor volume on Fridays and the weekends. To minimize the impact of this change, the Police Department will outreach through various media platforms and forums, install signage inside and outside the lobby to inform the public of the updated access hours, along with instructions on how to report a crime, and how to request an in-person officer for a crime report if necessary. To further mitigate impacts, tow services will continue to be available through an online system. (Ongoing savings: $618,267)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
13. School Crossing Guard Program	**(5.79)**	**(300,000)**	**(300,000)**

Public Safety CSA
Crime Prevention and Community Education Core Service
School Safety Program

This action eliminates 5.79 part-time School Crossing Guard positions and aligns the budget with expected activity levels. Due to long-term vacancies, low pedestrian counts, and school closures, 10 out of 111 authorized intersections for the School Crossing Guard Program are not staffed. This action will eliminate half of the vacant positions and intersections, which leaves actual service levels unaffected, and preserves the capacity for the potential activation of some of the unstaffed intersections in the future should the City be able to hire additional School Crossing Guards. Effects of the elimination are also to account for the future reduction and closure of schools which eliminate the need of crossing guard services at multiple intersections. (Ongoing savings: $311,169)

14. Bureau of Field Operations Administrative Staffing	**(1.00)**	**(173,877)**	**(173,877)**

Public Safety CSA
Respond to Calls for Service and Patrol Support Core Service
Field Operations Administration Program

This action eliminates 1.0 vacant Analyst I/II position in the Police Department's Bureau of Field Operations. The position previously supported multiple short-term projects, including community policing, matrix study, and the Camera Rebate program. This position has been vacant since September 2025, resulting in no service delivery impact. (Ongoing savings: $177,639)

2026-2027 Proposed Budget Changes Total	**(17.79)**	**$1,217,150**	**$1,217,150**

Police Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Crime Prevention and Community Education

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
 *PM 1*	% change in incidents involving assaults at schools[1]	-47%	-5.0%	-21.6%	-20.0%

[1] This measure includes all assaults (simple and aggravated) that occurred within school premises and the suspect is 18 years of age and below. Incidents involving unknown suspects are not included.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of patrol hours spent on proactive community policing	17,559	15,000	21,566	18,000
AWH 2	Community Presentations (excluding schools):				
	- # of presentations	331	342	398	365
	- # of participants	10,524	10,670	11,044	11,084
AWH 3	School Presentations:				
	- # of Crime Prevention presentations	400	547	582	491
	- # of School Liaison presentations	154	150	100	0[1]
	- # of School Safety presentations	43	40	32	30

[1] As part of the Police Department Overtime Spending memorandum that was approved by City Council on March 10, 2026, it eliminated the School Liaison Unit and redeployed the two Police Officers who provided the presentations effective May 2026.

Data Sources: Crime Prevention and Community Education

Number	Data Source
PM 1	Versadex - Records Management System
AWH 1	BTS exports a report from CAD and provides it to BFO Admin. The number of hours include officer-initiated calls with a final call type of Community Policing Foot Patrol (CPF).
AWH 2	Blue Sheet hard copy forms – transferred to MS Access database
AWH 3	Blue Sheet hard copy forms – transferred to MS Access database

Performance Summary

Investigative Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of cases that are assigned the following disposition[1]:				
	- Complaint filed with District Attorney	32.68%	N/A	41.16%	43.22%
PM 2	Crime rate of cases assigned to Bureau of Investigations I Units per 100,000 persons[2]:				
	- Family Violence	1,057.2	926.2	1,098.2	1,043.3
	- Juvenile Crimes	29.2	16.5	6.9	6.6
	- Missing Persons	70.6	88.4	61.3	58.2
	- Gang Investigations	45.7	42.2	32.9	31.2
	- Assaults	327.0	338.4	281.4	267.3
	- Sexual Assaults	141.1	138.5	168.7	160.2
	- Human trafficking, sex registration enforcement, and internet crimes (Special Victims)	59.5	51.4	16.9	16.1
	- Gun and Hazardous Offender Suppression Team (GHOST)	21.8	18.1	8.8	8.3
PM 3	Crime rate of cases assigned to Bureau of Investigations II Units per 100,000 persons[2]:				
	- Court Liaison	919.1	890.9	936.3	889.5
	- Fraud/Burglary	275.8	523.3	198.5	188.6
	- Homicide	6.2	6.1	10.4	9.9
	- Vehicular Crimes	264.5	263.2	204.8	194.6
	- Robbery	63.4	68.8	78.6	74.7

1 There are other dispositions (e.g. Lack of Investigative Resources, Non-Worker: No Leads to Continue Investigation) which cannot be filed on. This new measure was established in the 2024-2025 Adopted Operating Budget and a 2025-2026 Target was not set.

2 Cases assigned to a unit may be comprised of various offenses. Gang Investigations includes gang motivated and gang related incidents, regardless of the primary offense (with exception of homicides). Court Liaison includes criminal citations and arrests not linked to other major offenses (e.g. narcotic offenses, sideshows). Homicide includes murder, manslaughter, officer-involved incidents, death/dead body, and suicide. Robbery includes kidnapping cases.

Police Department

Performance Summary

Investigative Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Investigative Services Cases:				
	- # of cases received	53,402	56,000	49,500	47,000
	- # of cases assigned	31,980	32,000	30,500	29,000
	- # of outstanding cases (cases currently open)	7,742	8,000	7,200	7,000
AWH 2	# of cases that result in criminal filings	10,452	8,500	12,500	12,000
AWH 3	# of cases operationally closed[1]	48,935	50,000	50,800	48,000

[1] Number of cases operationally closed reflects cases that were resolved (solved, cleared, or closed) within the fiscal year, regardless of when they were assigned. As a result, this number may include cases initially assigned in a prior fiscal year.

Data Sources: Investigative Services

Number	Data Source
PM 1	Versadex - Records Management System
PM 2	BOI Caseload Summary
PM 3	BOI Caseload Summary
AWH 1	BOI Caseload Summary
AWH 2	BOI Caseload Summary
AWH 3	BOI Caseload Summary

Police Department

Performance Summary

Regulatory Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of staff time spent on cannabis regulatory activities:				
	- Regulatory investigations and inspections	100%	100%	100%	100%
PM 2	% of regulatory permits issued by type:				
	- Street Closure/Block Parties	8%	14%	19%	14%
	- One-Day Liquor Permits	12%	11%	10%	11%
	- Massage Businesses	5%	6%	6%	6%
	- Taxi Permits and Inspections	27%	24%	27%	27%
	- Secondary Employment	13%	12%	11%	12%
	- Peddlers	1%	1%	1%	1%
	- Other	34%	32%	26%	30%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of cannabis delivery vehicles inspected and approved	14	10	30[1]	10
AWH 2	Gaming Permits:				
	- # of gaming permit applications processed	750	670	600	600
	- # of gaming permits issued	755	700	580	580
AWH 3	# of cardroom/key employee license applications	32	30	40	40
AWH 4	# of cardroom denials and revocations	4	0	2	2

[1] The 2025-2026 Estimate reflects the addition of a new business, which increased the number of vehicle inspections as a one-time occurrence.

Data Sources: Regulatory Services

Number	Data Source
PM 1	Fees and Charges MSExcel worksheet
PM 2	Simplygov and E-Resource
AWH 1	GPS tracking Device MSExcel worksheet
AWH 2	SalesForce database
AWH 3	SalesForce database
AWH 4	SalesForce database

Performance Summary

Respond to Calls for Service and Patrol Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	Average citywide response time to calls (in minutes) for:				
	- Priority 1 (present or imminent danger)[1]	8.12	6.00	8.00	6.00[2]
	○ Average call processing time	1.42	1.50	1.30	1.50
	○ Average call queuing time	0.79	0.50	.70	.50
	○ Average call travel time	5.90	4.00	5.50	4.00
	- Priority 2 (actual or potential injury or property damage)	27.77	11.00	25.00	11.00[2]
	○ Average call processing time	1.77	1.50	1.80	1.50
	○ Average call queuing time	14.55	13.00	13.00	13.00
	○ Average call travel time	11.45	10.00	11.5	10.00
PM 2	Annual cost per service call for Police service	$191.26	$184.57	$198.05	$207.96
PM 3	Average time in which non-emergency calls are answered (in seconds)	101.28	90	65	60
PM 4	% of Off-duty Officer Secondary Employment Services special event hours requested that are filled	66%	61%	70%	70%

[1] Priority 1 calls may be immediately updated to a lesser priority if incident circumstances change. This measure currently reports the Police Department's response time of all calls initially assigned Priority 1 (including those subsequently downgraded), leading to a substantial decrease in the reported metric. The Police Department intends to address this reporting issue in next fiscal year's report.

[2] The actual target for this measure is referenced in the Envision San Jose 2040 General Plan Policy ES-3.1. The 2026-2027 Target is intended to be the long-term target.

Police Department

Performance Summary

Respond to Calls for Service and Patrol Support

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Service Calls, Officer-Initiated Calls, and Online Reports Received:				
	- # of emergency calls received	593,116	630,000	575,000	600,000
	- # of non-emergency calls received	420,778	425,000	420,000	425,000
	- # of online reports received	20,031	20,000	21,566	21,000
	- # of officer-initiated calls received	71,820	73,000	75,000	75,000
	- Annual cost of Police to respond to all calls for service (in millions)	$191.90	$189.41	$192.83	$202.47
AWH 2	Traffic Collisions:				
	- # of total traffic collisions	8,834	9,200	8,462	8,039
	- # of injury traffic collisions	3,058	3,250	3,012	2,861
	- # of fatal traffic collisions	38	50	64	61
AWH 3	# of neighborhood traffic enforcement requests received	1,041	1,100	1,200	1,200
AWH 4	Moving Violations (Issued for Cars in Motion):				
	- # of Driving Under the Influence (DUI) arrests (Traffic Enforcement generated)	7	8	2[1]	6
	- # of hazardous and non-hazardous moving violation citations (Traffic Enforcement Unit)	16,578	17,000	15,654	14,450
AWH 5	Off-duty Officer Secondary Employment Services:				
	- # of special events coordinated	657	667	662	660
	- # of officer work permits processed	130	222	110	120
	- Cost of providing Secondary Employment capability	$1,359,502	$932,697	$1,414,280	$1,386,891

[1] The 2025-2026 Estimate is lower than forecast as a result of decreased requests for Officer presence at community events which led to a decrease in the number of checkpoints. In addition, new laws require posting notification of checkpoints and exit routes prior to the checkpoint, which allowed for drivers to avoid the checkpoint.

Data Sources: Respond to Calls for Service and Patrol Support

Number	Data Source
PM 1	CAD
PM 2	Financial Management System (FMS) expenses
PM 3	ECATS & Power MIS
PM 4	EResource, Fiscal - Responsibility Center Report "Cost of providing SEU capability"
AWH 1	Number of calls: ECATS & Power MIS Online reports: Coplogic Annual Cost to Respond: Financial Management System (FMS) expenses & 9-1-1 / 3-1-1 Call Total
AWH 2	RMS
AWH 3	Various sources, including City Council, City/Dept. personnel, and the community
AWH 4	DUI data: TEU Excel spreadsheet Hazardous citations: Crossroads Analytics citations software system
AWH 5	EResource, Fiscal - Responsibility Center Report "Cost of providing SEU capability"

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Account Clerk I/II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	19.00	18.00	(1.00)
Assistant Chief of Police	1.00	1.00	-
Assistant Communications Manager	1.00	1.00	-
Background Investigator	8.00	8.00	-
Chief of Police	1.00	1.00	-
Community Service Officer I/II	67.00	67.00	-
Crime and Intelligence Analyst	9.00	9.00	-
Crime and Intelligence Data Administrator	1.00	1.00	-
Crime and Intelligence Data Technician	3.00	3.00	-
Crime Prevention Specialist	12.00	12.00	-
Crime Prevention Supervisor	1.00	1.00	-
Crisis Intervention Training Manager	1.00	1.00	-
Custody Transport Officer	12.00	12.00	-
Department Information Technology Manager	3.00	3.00	-
Deputy Chief of Police	4.00	4.00	-
Deputy Director U	2.00	2.00	-
Digital Media Technician	1.00	1.00	-
Division Manager	5.00	5.00	-
Information Systems Analyst	4.00	4.00	-
Latent Fingerprint Examiner II/III	6.00	6.00	-
Latent Fingerprint Examiner Supervisor	1.00	1.00	-
Maintenance Worker II	1.00	1.00	-
Messenger Clerk	1.00	1.00	-
Network Engineer	4.00	4.00	-
Network Technician I/II/III	3.00	3.00	-
Office Specialist I/II	9.00	8.00	(1.00)
Office Specialist II PT	0.50	0.50	-
Police Cadet PT	2.50	2.50	-
Police Captain	9.00	9.00	-
Police Communications Manager	1.00	1.00	-
Police Communication Specialist	58.00	58.00	-
Police Communication Specialist PT	1.50	1.50	-
Police Data Specialist I/II	70.00	71.00	1.00
Police Data Specialist PT	1.50	1.50	-
Police Forensic Analyst I/II	16.00	16.00	-
Police Lieutenant	41.00	41.00	-
Police Officer	911.00	880.00	(31.00)
Police Property Specialist I/II	19.00	19.00	-
Police Property Supervisor	2.00	2.00	-
Police Radio Dispatcher	79.00	79.00	-
Police Radio Dispatcher PT	2.00	2.00	-
Police Sergeant	188.00	184.00	(4.00)

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Principal Office Specialist	8.00	8.00	-
Program Manager	4.00	4.00	-
School Crossing Guard PT	40.61	34.82	(5.79)
School Safety Supervisor	4.00	4.00	-
Senior Account Clerk	4.00	4.00	-
Senior Analyst	11.00	11.00	-
Senior Auditor	3.00	2.00	(1.00)
Senior Crime and Intelligence Analyst	2.00	2.00	-
Senior Office Specialist	14.00	13.00	(1.00)
Senior Police Data Specialist	10.00	10.00	-
Senior Police Dispatcher	14.00	14.00	-
Senior Public Information Representative	1.00	1.00	-
Senior Systems Applications Programmer	2.00	2.00	-
Staff Specialist	14.00	14.00	-
Supervising Applications Analyst	1.00	1.00	-
Supervising Auditor	1.00	1.00	-
Supervising Police Data Specialist	4.00	4.00	-
Supervising Police Dispatcher	6.00	6.00	-
Supply Clerk	1.00	1.00	-
Systems Applications Programmer I/II	3.00	3.00	-
Training Specialist	1.00	1.00	-
Total Positions	**1,735.61**	**1,691.82**	**(43.79)**

Note: Of the 1,691.82 positions in the Police Department in 2026-2027, 1,132.00 are sworn positions and 559.82 are civilian positions.

Public Works Department

Matthew Loesch, Director

MISSION

To provide excellent service in building a smart and sustainable community, maintaining and managing city assets, and serving the animal care needs of the community

CITY SERVICE AREA

Community & Economic Development
Neighborhood Services
Strategic Support

CORE SERVICES

FACILITIES MANAGEMENT

Provide safe, efficient, comfortable, attractive, and functional buildings and facilities.

FLEET AND EQUIPMENT SERVICES

Manage operations which provide a safe and reliable fleet of vehicles and equipment.

PLAN, DESIGN, AND CONSTRUCT PUBLIC FACILITIES AND INFRASTRUCTURE

Plan, design, and construct public facilities and infrastructure, Materials Testing Laboratory, and Surveying Services.

REGULATE/FACILITATE PRIVATE DEVELOPMENT

Review private development to ensure that new development contributes to the safety and welfare of the residents as well as the City's economic development.

Strategic Support: Infrastructure and Mapping, Financial and Contractual Administration, Technology Services, Equality Assurance, Human Resources, and Emergency Response and Recovery

Service Delivery Framework

PROGRAM	DESCRIPTION
Facilities Management Core Service	
City Facilities Repairs and Minor Capital Improvements	Addresses City facility needs, including tracking and conducting repairs and minor capital improvements, managing improvement and remodel projects, performing building system repairs and improvements, and maintaining the work order database.
Energy and Water Conservation	Provides support to ensure the latest energy and water conservation technologies and methodologies are incorporated for all major capital projects.
Facility Maintenance and Operations – City Hall	Provides maintenance, event services, and security for City Hall; maintenance includes programmed preventive maintenance and corrective maintenance.
Facility Maintenance and Operations – Non-City Hall	Provides maintenance for City-owned facilities (not City Hall), including programmed preventive maintenance and corrective maintenance through requests and building assessments, and repairs in areas such as locksmith work, carpentry, electrical, HVAC, painting, and plumbing.
Fleet and Equipment Services Core Service	
Fleet Maintenance and Operations	Provides preventive maintenance, repairs, and statutory inspections for over 2,800 vehicles and equipment that support public safety, public health, and general government operations citywide.
Fleet Replacement	Manages the acquisition and disposal of all vehicles and equipment, including vehicle procurement and build-up.
Radio Communication	Provides reliable, necessary public and non-public safety-related communications equipment, maintains existing radio equipment and ensures optimal functionality, strategically plans for future upgrades and technology changes while supporting the Silicon Valley Regional Interoperability Authority.

Public Works Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Plan, Design, and Construct Public Facilities and Infrastructure Core Service	
City Facilities Architectural Services and Capital Project Administration	Provides architectural services and project administration for the delivery of capital improvements for City-owned facilities, including recreational facilities, parks, trails, libraries, public safety facilities, and various cultural and municipal facilities.
City Facilities Engineering and Inspection Services	Provides engineering and surveying services to determine roadway pavement sections and develop topographic map; provides quality assurance during construction to ensure compliance with the contract documents, the California Building Standard Code, and industry standards of care.
Transportation, Sanitary and Storm Sewer Capital	Supports the design and construction of right-of-way capital infrastructure projects, general engineering plan review for regional projects, and electrical engineering review for projects constructed by private developers.
Regulate / Facilitate Private Development Core Service	
Public Works Development Services	Provides support to ensure new development projects comply with applicable regulations and provide the necessary public infrastructure including, but not limited to: streets, sidewalks, storm and sanitary sewers, streetlights, landscaping in frontages and street islands, and traffic signals.
Strategic Support Core Service	
Public Works Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.
Public Works Management and Administration	Provides administrative oversight for the department, including executive management, financial management, information technology support, human resources, and analytical support.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Oversee the City's capital projects, ensuring on-time and on-budget delivery that meets the needs of San José residents.
- Maintain City facilities, equipment, and vehicles.
- Provide expedited and quality plan review services for the development community.

2026-2027 Key Budget Actions

- Adds one-time funding of $400,000 in the Real Property Transfer Tax Fund for the acquisition of four vehicles to support Facilities operations serving City-owned housing and related maintenance activities.
- Adds 3.0 Mechanic I/II positions within the Vehicle Maintenance and Operations Fund to strengthen the City's fleet maintenance capacity and support increasing operational demands city-wide.
- Continues and makes permanent 1.0 Contract Compliance Coordinator position within various Capital Funds to continue labor compliance oversight and ensure developer, contractor, and vendor adherence to applicable laws and regulations.
- Adds one-time non-personal/equipment funding of $135,000 for the purchase and redistribution of underutilized vehicles within the City's fleet inventory.
- Adds non-personal/equipment funding of $130,000 to participate in a regional aerial imagery program through a cost-sharing partnership with the County of Santa Clara, ensuring continued access to high-resolution city-wide imagery.
- Realigns various capital-funded positions to support the delivery of the City's Capital Improvement Program for 2026-2027 by eliminating 2.0 Associate Construction Inspector, 1.0 Associate Engineering Technician (filled), 1.0 Associate Structure/Landscape Designer (filled), 1.0 Building Inspector Combination Certified, 2.0 Construction Manager (1.0 filled), 1.0 Instrument Person (filled), 1.0 Principal Engineer/Architect, 1.0 Senior Construction Inspector, 1.0 Senior Engineer, 7.0 Senior Engineering Technician (4.0 filled), and 1.0 Survey Party Chief positions, all vacant unless otherwise noted; and, by adding 1.0 Associate Engineer, 3.0 Associate Engineering Technician, and 5.0 Engineering Technician I/II positions.

Operating Funds Managed

- Public Works Program Support Fund
- Public Works Development Fee Program Fund
- Public Works Small Cell Permitting Fee Program Fund
- Vehicle Maintenance and Operations Fund

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Animal Care and Services (Public Works)	16,410,550	17,180,642	0	0
Facilities Management	41,390,200	38,015,697	38,781,673	38,943,813
Fleet and Equipment Services	35,801,321	47,107,875	37,328,796	37,844,094
Plan, Design, and Construct Public Facilities and Infrastructure	42,720,659	52,625,333	53,190,602	50,619,961
Regulate/Facilitate Private Development	17,262,989	20,082,110	20,701,935	21,373,350
Strategic Support - Neighborhood Services	22,061,889	23,652,094	2,865,132	2,865,132
Strategic Support - Other - Community & Economic Development	603,990	826,400	639,102	639,102
Strategic Support - Other - Neighborhood Services	30,384,505	256,000	0	0
Strategic Support - Other - Public Safety	88,506	200,000	0	0
Strategic Support - Other - Strategic Support	21,869,193	57,836,009	39,174,861	43,920,749
Strategic Support - Strategic Support	29,578,955	14,738,827	14,750,267	15,075,229
Total	**$258,172,757**	**$272,520,987**	**$207,432,368**	**$211,281,430**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	130,196,137	129,906,297	117,957,766	116,244,081
Overtime	3,623,553	1,686,058	1,429,602	1,429,602
Subtotal Personal Services	$133,819,690	$131,592,355	$119,387,368	$117,673,683
Inventory	9,416,860	10,503,500	9,768,500	9,768,500
Non-Personal/Equipment	28,744,628	29,650,194	27,489,809	28,111,809
Total Personal Services & Non-Personal/Equipment	**$171,981,178**	**$171,746,049**	**$156,645,677**	**$155,553,992**
Other Costs *				
City-Wide Expenses	2,055,574	3,087,400	2,482,102	2,532,102
General Fund Capital	54,291,863	31,432,000	1,980,000	7,280,000
Gifts	100,014	256,000	0	0
Housing Loans and Grants	54,024	0	0	0
Other	13,196,964	46,467,234	28,710,687	28,710,687
Other - Capital	0	0	0	0

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Public Works Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Overhead Costs	16,057,635	18,881,304	16,962,902	16,553,649
Workers' Compensation	435,505	651,000	651,000	651,000
Total Other Costs	**$86,191,579**	**$100,774,938**	**$50,786,691**	**$55,727,438**
Total	**$258,172,757**	**$272,520,987**	**$207,432,368**	**$211,281,430**

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Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	112,053,070	92,662,750	46,338,170	51,910,170
Airport Maintenance and Operation Fund (523)	232,769	283,204	258,035	258,035
Alameda Community Benefit Improvement District Fund (342)	0	0	328,853	328,853
Building Development Fee Program Fund (237)	69,437	72,092	73,227	73,227
Business Improvement District Fund (351)	446,803	0	0	0
Citywide Planning Fee Program Fund (239)	73,476	83,665	86,623	86,623
Community Development Block Grant Fund (441)	488,503	211,759	214,638	214,638
Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)	10,009	0	0	0
Community Facilities District No. 8 (Communications Hill) Fund (373)	102,491	150,000	150,000	150,000
Convention and Cultural Affairs Fund (536)	0	9,000	9,000	9,000
Downtown Property and Business Improvement District Fund (302)	11,075	29,154	28,672	28,672
Emergency Reserve Fund (406)	3,361	0	0	0
Fire Development Fee Program Fund (240)	15,909	16,618	16,566	16,566
General Purpose Parking Fund (533)	16,022	79,488	101,311	101,311
Gift Trust Fund (139)	135,791	256,000	0	0
Homeless Housing, Assistance, and Prevention Fund (454)	528,356	0	0	0
Housing Trust Fund (440)	2,095	0	0	0
Integrated Waste Management Fund (423)	557,594	755,672	766,030	766,030
Low and Moderate Income Housing Asset Fund (346)	261,354	290,394	233,520	310,405
Planning Development Fee Program Fund (238)	54,071	56,049	57,295	57,295
Public Works Development Fee Program Fund (241)	19,988,701	19,417,079	19,723,643	20,397,187
Public Works Program Support Fund (150)	27,247,635	26,477,280	29,558,577	29,558,577
Real Property Transfer Tax Fund (404)	6,346,911	13,250,841	2,271,926	2,671,926
San José-Santa Clara Treatment Plant Operating Fund (513)	241,493	158,176	159,305	227,961
Sewage Treatment Plant Connection Fee Fund (539)	480,759	721,891	753,477	753,477
Sewer Service and Use Charge Fund (541)	2,841,780	3,824,054	3,704,866	3,720,273
Storm Sewer Operating Fund (446)	776,704	1,015,131	995,832	995,832
Vehicle Maintenance and Operations Fund (552)	35,260,086	46,818,163	36,833,830	37,244,318
Water Utility Fund (515)	35,476	39,547	39,547	39,547

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Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Willow Glen Community Benefit Improvement District Fund (343)	0	485,712	516,040	516,040
Workforce Development Fund (290)	7,037	0	0	0
Capital Funds	49,883,989	65,357,268	64,213,385	60,845,467
Total	**$258,172,757**	**$272,520,987**	**$207,432,368**	**$211,281,430**
Positions by Core Service **				
Animal Care and Services (Public Works)	93.57	99.57	0.00	0.00
Facilities Management	89.65	90.65	90.65	89.65
Fleet and Equipment Services	75.55	76.55	76.55	79.55
Plan, Design, and Construct Public Facilities and Infrastructure	239.35	232.35	232.35	220.60
Regulate/Facilitate Private Development	84.65	84.80	84.80	88.55
Strategic Support - Neighborhood Services	10.00	11.00	8.00	8.00
Strategic Support - Other - Strategic Support	5.75	5.35	5.35	4.35
Strategic Support - Strategic Support	60.75	61.00	60.30	61.30
Total	**659.27**	**661.27**	**558.00**	**552.00**

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Public Works Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Animal Care and Services					
Animal Licensing and Customer Services	12,645,221	13,347,667	0	0	0.00
Animal Services Field Operations	3,765,329	3,832,975	0	0	0.00
Sub-Total	**16,410,550**	**17,180,642**	**0**	**0**	**0.00**
Facilities Management					
City Facilities Repairs and Minor Capital Improvements	9,672,142	4,503,691	4,145,610	3,950,750	17.50
Energy and Water Conservation	184,848	227,010	233,597	233,597	1.00
Facility Maintenance and Operations - City Hall	10,956,159	10,539,361	11,490,695	11,440,695	29.35
Facility Maintenance and Operations - Non City Hall	20,577,051	22,745,635	22,911,771	23,318,771	41.80
Sub-Total	**41,390,200**	**38,015,697**	**38,781,673**	**38,943,813**	**89.65**
Fleet and Equipment Services					
Fleet Maintenance and Operations	24,939,736	25,755,303	26,532,415	26,912,713	70.55
Fleet Replacement	8,848,904	19,384,000	8,750,000	8,885,000	0.00
Radio Communication	2,012,681	1,968,572	2,046,381	2,046,381	9.00
Sub-Total	**35,801,321**	**47,107,875**	**37,328,796**	**37,844,094**	**79.55**
Plan, Design, and Construct Public Facilities and Infrastructure					
City Facilities Architectural Services and Capital Project Administration	12,188,540	9,677,610	9,799,141	9,269,454	37.00
City Facilities Engineering and Inspection Services	2,983,963	17,702,095	17,915,170	17,067,876	73.75
Transportation, Sanitary and Storm Sewer Capital	27,548,156	25,245,628	25,476,291	24,282,631	109.85
Sub-Total	**42,720,659**	**52,625,333**	**53,190,602**	**50,619,961**	**220.60**

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Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Regulate/Facilitate Private Development					
Public Works Development Services	17,262,989	20,082,110	20,701,935	21,373,350	88.55
Sub-Total	**17,262,989**	**20,082,110**	**20,701,935**	**21,373,350**	**88.55**
Strategic Support - Neighborhood Services					
Interim Housing Development and Maintenance	20,587,385	22,681,841	2,271,926	2,271,926	7.00
Public Works Management and Administration - Neighborhood Services	1,474,504	970,253	593,206	593,206	1.00
Sub-Total	**22,061,889**	**23,652,094**	**2,865,132**	**2,865,132**	**8.00**
Strategic Support - Other - Community & Economic Development					
Public Works Capital - Community and Economic Development	115,826	0	0	0	0.00
Public Works Other Departmental - City-Wide - Community and Economic Development	370,803	826,400	639,102	639,102	0.00
Public Works Other Operational - Administration - Community and Economic Develop	117,361	0	0	0	0.00
Sub-Total	**603,990**	**826,400**	**639,102**	**639,102**	**0.00**
Strategic Support - Other - Neighborhood Services					
Public Works Capital - Neighborhood Services	30,248,714	0	0	0	0.00
Public Works Gifts - Neighborhood Services	135,791	256,000	0	0	0.00
Public Works Other Departmental - City-Wide - Neighborhood Services	0	0	0	0	0.00
Sub-Total	**30,384,505**	**256,000**	**0**	**0**	**0.00**
Strategic Support - Other - Public Safety					
Public Works Capital - Public Safety	88,506	200,000	0	0	0.00
Sub-Total	**88,506**	**200,000**	**0**	**0**	**0.00**

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Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Strategic Support - Other - Strategic Support					
Public Works Capital - Strategic Support	12,800,002	21,934,950	2,625,048	7,730,189	3.35
Public Works Other Departmental - City-Wide - Strategic Support	823,011	2,368,755	1,935,911	1,985,911	1.00
Public Works Other Operational - Administration - Strategic Support	166,864	14,000,000	17,000,000	17,000,000	0.00
Public Works Overhead	8,044,751	18,881,304	16,962,902	16,553,649	0.00
Public Works Workers' Compensation - Strategic Support	34,565	651,000	651,000	651,000	0.00
Sub-Total	**21,869,193**	**57,836,009**	**39,174,861**	**43,920,749**	**4.35**
Strategic Support - Strategic Support					
Public Works Emergency Response and Recovery	3,361	0	0	0	0.00
Public Works Information Technology - Strategic Support	2,899,990	2,998,988	3,032,267	3,162,267	12.31
Public Works Management and Administration - Strategic Support	26,675,604	11,739,839	11,718,000	11,912,962	48.99
Sub-Total	**29,578,955**	**14,738,827**	**14,750,267**	**15,075,229**	**61.30**
Total	**$258,172,757**	**$272,520,987**	**$207,432,368**	**$211,281,430**	**552.00**

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Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**661.27**	**171,746,049**	**57,620,350**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Measure T Operations and Maintenance Staffing		903,000	903,000
• Measure E - Interim Housing Site Development Staffing (1.0 Associate Engineer, 1.0 Program Manager)	(2.00)	(443,522)	0
• Regional Wastewater Facility, Sanitary Sewer, and Housing CIP Team Support (1.0 Contract Compliance Coordinator)	(1.00)	(191,102)	0
• Animal Care and Services		(175,000)	(175,000)
• Fire Vehicle Operations and Maintenance		(3,105)	0
One-time Prior Year Expenditures Subtotal:	**(3.00)**	**90,271**	**728,000**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/Benefit Changes and the following position reallocations: - 1.0 Program Manager to 1.0 Principal Engineering Technician	0.00	2,247,792	749,735
• Shift to the Parks, Recreation and Neighborhood Services Department for Animal Care and Services Staffing (1.0 Analyst I/II, 19.0 Animal Care Attendant I/II, 13.07 Animal Care Attendant PT, 9.0 Animal Health Assistant/Animal Health Technician, 3.80 Animal Health Assistant PT, 13.0 Animal Service Officer, 7.0 Animal Shelter Coordinator, 3.0 Animal Shelter Veterinarian, 1.40 Animal Shelter Veterinarian PT, 1.0 Deputy Director, 5.0 Dispatcher, 1.0 Division Manager, 4.0 Office Specialist I/II, 1.0 Office Specialist I/II PT, 1.0 Program Manager, 1.0 Public Information Representative I/II, 1.0 Senior Account Clerk, 4.0 Senior Animal Services Officer, 1.0 Senior Facility Repair Worker, 3.0 Senior Office Specialist, 1.0 Senior Systems Applications Programmer, 1.0 Staff Specialist, 4.0 Supervisor, Animal Services Operations, 1.0 Volunteer Coordinator)	(100.27)	(17,320,891)	(17,320,891)
• Software/Information Services: Fleet Database		1,015,500	0
• Operations & Maintenance: City Facilities		448,000	448,000
• Utilities: Electricity, Gas, Water		101,000	59,000
• Overtime Adjustment		94,535	53,206
• Software/Information Services: Capital Project Management System		35,000	0
• Software/Information Services: Geographic Information Services Software		22,000	12,000
• Supplies & Materials: Fleet Parts/Inventory		21,000	0
• Living Wage Adjustment		12,766	12,766

Public Works Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

Technical Adjustments to Costs of Ongoing Activities			
• Night Shift Differential Adjustment		5,355	2,902
• Vehicle Operations & Maintenance		3,000	(12,000)
• Contract Services: Janitorial Services		(1,000,000)	(1,000,000)
• Inventory Purchases: Fuel and Parts/Inventory		(756,000)	0
• Budget Realignment: Environmental Innovation Center		(119,700)	0
Technical Adjustments Subtotal:	**(100.27)**	**(15,190,643)**	**(16,995,282)**
2026-2027 Forecast Base Budget:	**558.00**	**156,645,677**	**41,353,068**
Budget Proposals Recommended			
1. Facilities Maintenance Housing Vehicles		400,000	0
2. Fleet Maintenance Services Enhancement Staffing	3.00	380,298	0
3. Regional Wastewater Facility, Sanitary Sewer and Housing CIP Team Staffing	1.00	194,965	0
4. Underutilized Vehicles Redistribution		135,000	135,000
5. GIS Enterprise Aerial Services		130,000	130,000
6. Vehicle Operations and Maintenance (Fleet Staffing)		7,000	7,000
7. Public Works Department Staffing Plan – Capital Improvement Program	(10.00)	(2,288,948)	0
8. City Facilities Energy Efficiency Measures		(50,000)	(50,000)
Total Budget Proposals Recommended	**(6.00)**	**(1,091,685)**	**222,000**
2026-2027 Proposed Budget Total	**552.00**	**155,553,992**	**41,575,068**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Facilities Maintenance Housing Vehicles		**400,000**	**0**

Strategic Support CSA
Facilities Management Core Service
Facility Maintenance and Operations – Non City Hall Program

This action adds one-time funding of $400,000 in the Real Property Transfer Tax Fund for the acquisition of four vehicles (four vans) to support Facilities operations serving City-owned housing and related maintenance activities. The vehicles will replace reliance on rental units and provide dedicated operational capacity to improve response times and coordination across service locations. The funding for these vehicles is based on projected utilization and total cost-of-ownership. (Ongoing costs: $0)

2. Fleet Maintenance Services Enhancement Staffing	**3.00**	**380,298**	**0**

Strategic Support CSA
Fleet and Equipment Services Core Service
Fleet Maintenance and Operations Program

This action adds 3.0 Mechanic I/II positions within the Vehicle Maintenance and Operations Fund to strengthen maintenance capacity and support increasing operational demands city-wide. This staffing addition builds upon recent supervisory and acquisition-focused additions by expanding frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. The current backlog for vehicle service and maintenance is approximately two years; with the addition of these positions, the backlog is expected to be reduced to approximately one year. These positions are intended to improve vehicle maintenance turnaround times, enhance preventative maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. (Ongoing costs: $458,706)

3. Regional Wastewater Facility, Sanitary Sewer, and Housing CIP Team Staffing	**1.00**	**194,965**	**0**

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Public Works Management and Administration - Strategic Support Program

This action continues 1.0 Contract Compliance Coordinator position, originally approved in 2025-2026 Adopted Budget as a limited-dated position, and makes the position permanent to continue providing labor compliance oversight and ensure developer, contractor, and vendor adherence to applicable laws and regulations. Funded by various Captial Funds, the position coordinates, tracks, and supervises all aspects of labor compliance and labor peace for the Regional Wastewater Facility and Public Works Transportation and Hydraulics capital projects city-wide, as well as maintenance and service work at City-owned housing facilities. Responsibilities include oversight of adherence to the Citywide Project Labor Agreement, supervision of the Contract Compliance Specialist's daily enforcement of prevailing wage requirements, delivery of compliance training to project managers and inspection staff, and review and management of labor compliance claims and violations, including misclassifications and underpayments. This position supports consistent enforcement, risk mitigation, and protection of the City from potential labor-related claims and financial liabilities. (Ongoing costs: $194,965)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Underutilized Vehicles Redistribution		**135,000**	**135,000**

Strategic Support CSA
Fleet and Equipment Services Core Service
Fleet Replacement Program

This action adds one-time non-personal/equipment funding of $135,000 for the purchase and redistribution of underutilized vehicles within the City's fleet inventory. Staff is conducting an analysis of the City's fleet inventory, identifying vehicles that are underutilized based on mileage driven, and outreaching to impacted departments to determine the number of vehicles that can be purchased and redistributed. The funding will transfer funds to various special and capital funds that was used to originally purchase the vehicles. The redistribution of the vehicles will be delivered to the next vehicle in the replacement schedule, which will start to address the backlog of replacement vehicles. (Ongoing costs: $0)

5. GIS Enterprise Aerial Services		**130,000**	**130,000**

Strategic Support CSA
Strategic Support – Strategic Support Core Service
Public Works Information Technology – Strategic Support Program

This action adds non-personal/equipment funding of $130,000 to participate in a regional aerial imagery program through a cost-sharing partnership with the County of Santa Clara, ensuring continued access to high-resolution city-wide imagery. The imagery supports multiple operational functions, including planning, public works, asset management, emergency response, and capital project development. Under the partnership model, participating agencies share procurement and data acquisition costs to reduce individual agency expenses. This funding reflects the City’s proportional share based on the agreed-upon scope and coverage. (Ongoing costs: $76,500)

6. Vehicle Operations and Maintenance (Fleet Staffing)		**7,000**	**7,000**

Strategic Support CSA
Facilities Management Core Service
Facility Maintenance and Operations – Non City Hall Program

This action adds non-personal/equipment funding of $7,000 for vehicle operations and maintenance charges associated with the addition of 3.0 Mechanic I/II positions in the Public Works Fleet Division, as described above. Public Works proportional funding of these position costs represents the projected level of support for its fleet requirements. (Ongoing costs: $8,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
7. Public Works Department Staffing Plan – Capital Improvement Program	**(10.00)**	**(2,288,948)**	**0**

Community and Economic Development CSA
Regulate/Facilitate Private Development Core Service
Public Works Development Services Program

Strategic Support CSA
Facilities Management Core Service
City Facilities Repairs and Minor Capital Improvements Program
Plan, Design, and Construct Public Facilities and Infrastructure Core Service
City Facilities Architectural Services and Capital Project Administration, City Facilities Engineering and Inspection Services, and Transportation, Sanitary and Storm Sewer Capital Programs
Strategic Support – Other – Strategetic Support Core Service
Public Works Capital - Strategic Support Program
Strategic Support – Strategic Support Core Services
Public Works Management and Administration - Strategic Support Program

This action eliminates 2.0 Associate Construction Inspector, 1.0 Associate Engineering Technician (filled), 1.0 Associate Structure/Landscape Designer (filled), 1.0 Building Inspector/Combination Certified, 2.0 Construction Manager (1.0 filled), 1.0 Instrument Person (filled), 1.0 Principal Engineer/Architect, 1.0 Senior Construction Inspector, 1.0 Senior Engineer, 7.0 Senior Engineering Technician (4.0 filled), and 1.0 Survey Party Chief positions, all vacant unless otherwise noted; adds 1.0 Associate Engineer, 3.0 Associate Engineering Technician, and 5.0 Engineering Technician I/II positions; and realigns various capital-funded positions to support the delivery of the City's Capital Improvement Program for 2026-2027. In addition, several higher-level Engineering Technician classifications will be eliminated and replaced with lower-level classifications to reflect current underfill practices and operational needs. This includes the conversion of 3.0 Senior Engineering Technician positions to 3.0 Associate Engineering Technician positions (1 vacant, 2 filled), 1.0 Associate Engineering Technician position to 1.0 Engineering Technician I/II position (filled), and 3.0 Senior Engineering Technician positions to 3.0 Engineering Technician I/II positions (1 vacant, 2 filled). The position changes reflect a comprehensive review of anticipated capital project workload and staffing needs, including the completion of projects and the alignment of classifications to current service demands. Several positions are recommended for elimination where workload does not support retention, while added and reclassified positions better align with current project delivery, inspection, and technical support needs. The Principal Engineer/Architect position, originally established in 2025-2026 to support implementation of the Library Facilities Master Plan, is recommended for elimination. Following multiple unsuccessful recruitment efforts and coordination with the Library Department, existing staff are supporting project implementation, and the position is no longer required. These changes do not result in the displacement of current employees, as affected positions are either vacant or reflect the reclassification of filled positions currently underfilled and backfilled by existing staff, with available vacancies to accommodate employee transitions. (Ongoing savings: $2,034,725)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
8. City Facilities Energy Efficiency Measures		**(50,000)**	**(50,000)**

Strategic Support CSA
Facilities Management Core Service
Facility Maintenance and Operations – City Hall Program

This action decreases non-personal/equipment funding of $50,000 to recognize energy cost savings by adjusting building temperature setpoints across applicable City facilities while maintaining operational functionality. The proposed adjustment modifies heating and cooling thresholds to align with industry-recommended efficiency standards, reducing utility expenditures and supporting the City's sustainability goals. Critical facilities and sensitive spaces will continue to be managed to ensure compliance with health, safety, and operational requirements. This operational change is intended to lower energy consumption without materially impacting service delivery. (Ongoing savings: $50,000)

2026-2027 Proposed Budget Changes Total	**(6.00)**	**(1,091,685)**	**222,000**

Public Works Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Facilities Management

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
 *PM 1*	% of City-owned buildings that are in full compliance with the Building Performance Ordinance (energy and water usage) including beyond benchmark requirement	91.9%[1]	84.1%[1]	91.9%[1]	95.1%[1]
 PM 2	% of preventative maintenance work orders completed	64%	60%	60%	60%
 PM 3	% of non-health and safety work[2] completed within time standards:				
	- Priority 2 (Critical; 2-3 days to respond)	47%	65%	45%	50%
	- Priority 3 (Repairs; 3-7 days to complete)	32%	50%	45%	50%
	- Priority 4 (Non-critical; 60 days to complete)	21%	30%	30%	30%

1 Compliance is below 100% due to insufficient funding to procure a consultant for the Improvement Pathway of Beyond Benchmarking. Data is reported on a calendar year basis and reflected in the subsequent fiscal year.

2 Priority 1 health and safety work orders will always have a 100% rate of initial response within 24 hours.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
	Total number of corrective and preventative work orders completed by type:				
AWH 1	- Preventive maintenance	7,904	9,750	8,000	8,500
	- Corrective maintenance (includes repairs & improvements)	10,298	13,000	9,000	11,000
AWH 2	Total square footage maintained	2,850,000	2,850,000	2,850,000	2,850,000

Performance Summary

Data Sources: Facilities Management

Number	Data Source
PM 1	San José Beyond Benchmarking Portal
PM 2	Infor EAM Enterprise Asset Management System, Preventive Maintenance Completion Rate Report
PM 3	Infor EAM Enterprise Asset Management System, Work Orders By Priority Report
AWH 1	Infor EAM, an Enterprise Asset Management system report Work Orders by Completed Date
AWH 2	Infor EAM report PW-Fac Owned Facilities + Construction Plans for new or remodeled facilities

Public Works Department

Performance Summary

Fleet and Equipment Services

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of fleet in compliance with replacement cycle:				
	- Police Patrol	100%	100%	100%	100%
	- Fire	100%	100%	100%	100%
	- General Fleet	85%	89%	86%	89%
	- Off Road	80%	85%	82%	85%
	- Other[1]	N/A	N/A	N/A	N/A
PM 2	% of fleet that is alternate fuel vehicles by type:				
	- Fully electric	8%	17%	9%	11%
	- Plug-in hybrid	2%	N/A[2]	1%	1%[3]
	- Gas hybrid	10%	20%	12%	19%
	- Unleaded gasoline	49%	33%	48%	45%
	- Renewable diesel	27%	30%	27%	30%
PM 3	Cost per mile or hours, by class (of equipment) and fuel type (electric/non-electric):				
	- Police (miles) ($/$)	$0.77	$0.67	$0.45	$0.61
	- Fire (miles) ($/$)	$3.25	$2.90	$2.02	$2.64
	- General Fleet Light (miles) ($/$)	$0.43	$0.43	$0.36	$0.40
	- General Fleet Heavy (miles) ($/$)	$1.78	$2.25	$1.75	$1.77
	- Off Road Light (hours) ($/$)	$1.61	$1.75	$0.51	$1.06
	- Off Road Heavy (hours) ($/$)	$1.91	$1.94	$1.19	$1.55
PM 4	Average vehicle downtime that is out of service due to service or repair[4]	9	10	6	10

1 The 2025-2026 Target for Other is restated from what was published in the 2025-2026 Adopted Budget due to an inadvertent error. Data previously included reflected a combined total of General Fleet and Off Road rather than Other. Data for Other is currently under review and unavailable for 2025-2026. Other vehicles and assets are not defined within the Replacement Policy and are not on a replacement cycle.

2 Hybrid vehicle data separated by plug-in and gas hybrid vehicles in 2025-2026 and 2025-2026 Target was not set.

3 Plug-in Hybrid vehicles are planning to be phased out.

4 Average vehicle downtime is calculated in 24 hour days and from date out of service and includes weekend and holidays.

Public Works Department

Performance Summary

Fleet and Equipment Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Total # of repair and preventative work orders	19,623	21,000	20,000	21,000
AWH 2	Total # of vehicles and equipment	2,984	3,000	3,000	3,100
AWH 3	Total # of City-operated charging stations	194	241	241	241
AWH 4	Total # of new vehicles delivered:				
	- Replacement	78	93	43	60
	- Newly added	134	14	35	50
	- In use	80	70	45	50

Data Sources: Fleet and Equipment Services

Number	Data Source
PM 1	AssetWorks- FleetAnywhere
PM 2	AssetWorks- FleetAnywhere
PM 3	AssetWorks- FleetAnywhere
PM 4	AssetWorks- FleetAnywhere
AWH 1	AssetWorks- FleetAnywhere
AWH 2	AssetWorks- FleetAnywhere
AWH 3	Electric Vehicle Fleet and Charging Infrastructure Update
AWH 4	AssetWorks- FleetAnywhere

Public Works Department

Performance Summary

Plan, Design, and Construct Public Facilities and Infrastructure

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	Departmental project delivery costs compared to target industry norm:				
	- Director's approval (≤ $1.3M and below)	64%	64%	65%	64%
	- Council approval (> $1.3M)	40%	44%	47%	44%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of construction projects delivered	48	40	58	40
AWH 2	Total construction cost of projects	$ 68,800,000	$ 180,000,000	$ 185,000,000	$ 250,000,000

Data Sources: Plan, Design, and Construct Public Facilities and Infrastructure

Number	Data Source
PM 1	Capital Projects Management System
AWH 1	Capital Projects Management System
AWH 2	Capital Projects Management System

Public Works Department

Performance Summary

Regulate / Facilitate Private Development

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of Underground Service Alert (USA) tickets closed	100%	100%	100%	100%
	Utility Permits:				
PM 2	- Average # of business days for Utility plan reviews	2	10	2	10
	- % on-time response to plan reviews/ permitting (10-day target)	94%	85%	89%	85%
	% of Geologic Hazard Applications by average processing time:				
PM 3	- Simple Reviews (six weeks or fewer)	94%	85%	85%	85%
	- Complex Reviews (up to six months)	100%	85%	85%	85%

Public Works Department

Performance Summary

Regulate / Facilitate Private Development

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	Underground Service Alert (USA) Tickets:				
	- Received	91,740	80,000	80,000	82,000
	- Closed	91,740	80,000	80,000	82,000
AWH 2	# of Public Works Development Services Permit Types:				
	- Utilities Permits Issued	4,887	4,000	4,500	4,500
	- Building Clearances Issued	2,300	2,342	2,380	2,500
	- Flood Clearances Issued	524	467	650	700
	- Geologic Hazard Letter of Responses/Clearances	190	188	228	220
AWH 3	# of Public Works Development Fee and Utility Inspections:				
	- Development Projects Accepted	224	110	130	125
	- Stormwater Treatment Control Measures Signed Off	157	115	140	135
	- Pre-Construction Meetings Conducted	192	110	110	105
	- Utility Permits Accepted[1]	2,776	2,500	2,500	2,500
	- New Utility Permits Received	4,887	4,000	4,500	4,500
AWH 4	$ value of accepted public improvements[2]	$18,097,780	$12,000,000	$6,700,000	$7,000,000
AWH 5	# of Public Works Development Services Counter Operations by Type:				
	- General Responses (phone/email)	3,102	2,592	2,600	2,600
	- Counter Appointments Held	756	651	950	1,100

1 Utility Permits Accepted data is collected based on calendar year (January 2025 – December 2025).

2 The value of accepted improvements can vary significantly from year to year due to the diverse scope of projects and the fluctuating completion schedules of developers. 2025-2026 and 2026-2027 Forecasts are based on expected projects.

Data Sources: Regulate / Facilitate Private Development

Number	Data Source
PM 1	USA BOSS 811 System
PM 2	AMANDA Analytics Report
PM 3	AMANDA Analytics Report
AWH 1	US BOSS 811 System
AWH 2	AMANDA Analytics Report
AWH 3	Amanda/Excel Log
AWH 4	AMANDA Analytics Report
AWH 5	Excel Log/Qmatic

Performance Summary

Strategic Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimate	2026-2027 Target
PM 1	% of projects with labor compliance issue	15%	9%	18%	12%
PM 2	Average City-staff Geographic Information System (GIS) web requests served per month	21,969,777	N/A[1]	22,567,925	N/A[1]
PM 3	Average monthly usage of public-facing Geographic Information System (GIS) web services and applications	24,838,077	N/A[1]	24,166,720	N/A[1]
PM 4	Average time of compliance (restitution paid to workers)	72	30	30	20

[1] The web services are available for use and targets for how or how often they are used are arbitrary.

Performance Summary

Strategic Support

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimate	2026-2027 Forecast
AWH 1	# of contracts reviewed for Public Works construction vs. Service and Maintenance	190	160	180	170
AWH 2	# of contracts with labor compliance violations identified:				
	- # of contractors	34	15	40	35
	- # of violations leading to a fine	34	15	30	20
	- # of workers with restitutions paid	283	73	80	70
	- # minimum wage	82	15	30	25
	- # prevailing wage	200	30	25	20
	- # of living wage	1	28	40	35
AWH 3	Minimum wage compliance cases:				
	- # Opened	7	6	5	3
	- # Resolved	7	6	5	3
AWH 4	Wage Theft and Restitution:				
	- # of contractors' employees owed restitution	201	73	100	90
	- # of workers owed restitution	282	105[1]	140	110

[1] The 2025-2026 Forecast is restated from what was published in the 2025-2026 Adopted Budget due to an inadvertent error. In the 2025-2026 Adopted Budget, the 2025-2026 Forecast for # of workers owed restitution was recorded as $57,000.

Data Sources: Strategic Support

Number	Data Source
PM 1	SmartSheets
PM 2	ArcGIS Server logs, internal ArcGIS Server instance(s) federated with Portal
PM 3	ArcGIS Server logs, public-facing ArcGIS Server instance
PM 4	SmartSheets
AWH 1	SmartSheets
AWH 2	SmartSheets
AWH 3	SmartSheets
AWH 4	SmartSheets

Public Works Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	1.00	1.00	-
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Air Conditioning Mechanic	5.00	5.00	-
Air Conditioning Supervisor	1.00	1.00	-
Analyst I/II	12.00	11.00	(1.00)
Animal Care Attendant I/II	19.00	0.00	(19.00)
Animal Care Attendant PT	13.07	0.00	(13.07)
Animal Health Assistant/Animal Health Technician	9.00	0.00	(9.00)
Animal Health Assistant PT/Animal Health Technician PT	3.80	0.00	(3.80)
Animal Services Officer	13.00	0.00	(13.00)
Animal Shelter Coordinator	7.00	0.00	(7.00)
Animal Shelter Veterinarian	3.00	0.00	(3.00)
Animal Shelter Veterinarian PT	1.40	0.00	(1.40)
Assistant Director	1.00	1.00	-
Associate Architect/Landscape Architect	3.00	3.00	-
Associate Construction Inspector	38.00	36.00	(2.00)
Associate Engineer	56.00	56.00	-
Associate Engineering Technician	13.00	15.00	2.00
Associate Structure/Landscape Designer	13.00	12.00	(1.00)
Audio Visual Engineer	1.00	1.00	-
Automotive Equipment Specialist	1.00	1.00	-
Building Inspector Supervisor	2.00	2.00	-
Building Inspector/Combination Certified	10.00	9.00	(1.00)
Building Management Administrator	3.00	3.00	-
Carpenter	4.00	4.00	-
Chief of Surveys	2.00	2.00	-
Communications Installer	4.00	4.00	-
Communications Technician	4.00	4.00	-
Construction Manager	5.00	3.00	(2.00)
Contract Compliance Assistant	1.00	1.00	-
Contract Compliance Coordinator	3.00	3.00	-
Contract Compliance Specialist	6.00	6.00	-
Deputy Director of Public Works	5.00	4.00	(1.00)
Director of Public Works	1.00	1.00	-
Dispatcher	5.00	0.00	(5.00)
Division Manager	10.00	9.00	(1.00)
Electrician I/II	4.00	4.00	-
Electrician Supervisor	1.00	1.00	-

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Engineer I/II	49.00	49.00	-
Engineering Geologist	1.00	1.00	-
Engineering Technician II/I	8.00	13.00	5.00
Equipment Maintenance Supervisor	5.00	5.00	-
Equipment Mechanic Assistant I/II	22.00	22.00	-
Events Coordinator I/II	1.00	1.00	-
Facility Attendant	2.00	2.00	-
Facility Repair Worker	5.00	5.00	-
Facility Sound and Light Technician	2.00	2.00	-
Fleet Manager	1.00	1.00	-
Geographic Information Systems Specialist I/II	4.00	4.00	-
Heating, Ventilation, Air Conditioning Controls Technician	2.00	2.00	-
Information Systems Analyst	6.00	6.00	-
Instrument Person	5.00	4.00	(1.00)
Land Surveyor	1.00	1.00	-
Maintenance Contract Supervisor	1.00	1.00	-
Maintenance Assistant/Maintenance Worker I	4.00	4.00	-
Mechanic I/II	22.00	25.00	3.00
Mechanical Parts Supervisor	1.00	1.00	-
Network Engineer	1.00	1.00	-
Network Technician	1.00	1.00	-
Office Specialist I/II	5.00	1.00	(4.00)
Office Specialist II PT	1.00	0.00	(1.00)
Painter	3.00	3.00	-
Plumber	3.00	3.00	-
Principal Account Clerk	2.00	2.00	-
Principal Construction Inspector	7.00	7.00	-
Principal Engineer/Architect	5.00	4.00	(1.00)
Principal Engineering Technician	5.00	6.00	1.00
Program Manager	10.00	7.00	(3.00)
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	1.00	0.00	(1.00)
Radio Communications Supervisor	1.00	1.00	-
Recreation Leader PT	1.00	1.00	-
Security Officer	7.00	7.00	-
Security Services Supervisor	1.00	1.00	-
Senior Account Clerk	5.00	4.00	(1.00)
Senior Accountant	1.00	1.00	-
Senior Air Conditioning Mechanic	3.00	3.00	-
Senior Analyst	7.00	7.00	-

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Senior Animal Services Officer	4.00	0.00	(4.00)
Senior Architect/Landscape Architect	3.00	3.00	-
Senior Auto Equipment Specialist	1.00	1.00	-
Senior Carpenter	2.00	2.00	-
Senior Communications Technician	1.00	1.00	-
Senior Construction Inspector	37.00	36.00	(1.00)
Senior Electrician	8.00	8.00	-
Senior Engineer	16.00	15.00	(1.00)
Senior Engineering Technician	19.00	12.00	(7.00)
Senior Events Coordinator	1.00	1.00	-
Senior Facility Attendant	2.00	2.00	-
Senior Facility Repair Worker	7.00	6.00	(1.00)
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Mechanic I/II	6.00	6.00	-
Senior Office Specialist	7.00	4.00	(3.00)
Senior Security Officer	1.00	1.00	-
Senior Systems Applications Programmer	5.00	4.00	(1.00)
Senior Transportation Specialist	3.00	3.00	-
Senior Warehouse Worker	1.00	1.00	-
Staff Specialist	10.00	9.00	(1.00)
Structure/Landscape Designer I/II	4.00	4.00	-
Supervising Applications Analyst	2.00	2.00	-
Supervising Environmental Services Specialist	1.00	1.00	-
Supervisor, Animal Services Operations	4.00	0.00	(4.00)
Survey Party Chief	7.00	6.00	(1.00)
Systems Application Programmer I/II	1.00	1.00	-
Trades Supervisor	3.00	3.00	-
Volunteer Coordinator	1.00	0.00	(1.00)
Warehouse Worker I/II	2.00	2.00	-
Warehouse Supervisor	1.00	1.00	-
Total Positions	**661.27**	**552.00**	**(109.27)**

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Office of Retirement Services

John Flynn, Chief Executive Officer

MISSION

Deliver accurate and timely retirement benefits and services while prudently managing the assets entrusted to us with integrity, accountability, and a long-term vision

CITY SERVICE AREA

Strategic Support

CORE SERVICES

RETIREMENT PLAN ADMINISTRATION

Management and administration of the retirement trust funds, administration of retirement benefits, and supervision of investment assets.

Strategic Support: Retirement Boards' Support, Training, and Contract Administration

Office of Retirement Services

Service Delivery Framework

PROGRAM	DESCRIPTION
Retirement Plan Administration Core Service	
Benefits	Provides retirement planning and counseling services to plan members and administers health care and other benefits for retirees and beneficiaries.
Investments	Manages retirement plan assets in a manner which seeks to achieve long-term net returns in excess of the actuarial investment return assumption and adopted benchmarks while maintaining a reasonable level of investment risk.
Strategic Support Core Service	
Retirement Financial Management	Prepares annual comprehensive financial reports for the retirement plans; runs monthly payroll for retirees and beneficiaries; manages the budget and all other financial transactions for the department.
Retirement Human Resources	Manages personnel-related functions for the department, including hiring, employee development, employee discipline, and personnel transactions.
Retirement Information Technology	Manages the Pension Administration System which houses all retirement data and runs most of the retirement business transactions; provides other information technology services, planning, system development and maintenance for the department.
Retirement Management and Administration	Provides executive-level, analytical, and administrative support to the department and retirement boards.

Office of Retirement Services

Department Budget Summary

Expected 2026-2027 Service Delivery

- Manage Retirement Plans' assets and seek solutions to increase investment returns and reduce volatility and cost, while mitigating risk.
- Work with the Retirement Plans' actuaries to ensure the plans have adopted and implemented the most appropriate rates, assumptions, and methodologies to remove risk from the plans, and decrease volatility.
- Provide quality retirement planning, counseling, and financial reporting.

2026-2027 Key Budget Actions

- Continues and makes permanent 1.0 Program Manager position in the Benefits Division to provide essential oversight for key programs and teams, strengthen leadership capacity, support staff retention, and enable continued progress on technology and process improvements, ensuring the Office of Retirement Services (ORS) can effectively meet its long-term operational and service commitments.
- Adds 1.0 Deputy Chief Investment Officer position and eliminates 1.0 Senior Investment Officer position in order to align staffing with ORS' evolving needs as its $10 billion portfolio has grown in size and complexity.

Operating Funds Managed

- Federated Retiree Health Care Trust Fund
- Federated Retirement Fund
- Fire Retiree Health Care Trust Fund
- Police and Fire Retirement Fund
- Police Retiree Health Care Trust Fund

Office of Retirement Services

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Retirement Plan Administration	6,406,128	6,711,805	6,747,323	6,949,792
Strategic Support - City Council Appointees	3,201,867	3,344,796	3,523,305	3,523,305
Strategic Support - Other - Council Appointees	8,637	11,000	11,000	11,000
Total	**$9,616,632**	**$10,067,601**	**$10,281,628**	**$10,484,097**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	9,578,999	10,006,601	10,220,628	10,423,097
Subtotal Personal Services	$9,578,999	$10,006,601	$10,220,628	$10,423,097
Total Personal Services & Non-Personal/Equipment	**$9,578,999**	**$10,006,601**	**$10,220,628**	**$10,423,097**
Other Costs *				
City-Wide Expenses	37,633	61,000	61,000	61,000
Housing Loans and Grants	0	0	0	0
Other	0	0	0	0
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	**$37,633**	**$61,000**	**$61,000**	**$61,000**
Total	**$9,616,632**	**$10,067,601**	**$10,281,628**	**$10,484,097**

Note: The budget figures reflected in this summary account for a small portion of the total budget for the Office of Retirement Services, including the cost of the civil service positions in the Office of Retirement Services and General Fund City-Wide Expenses of $61,000. Additional budget information on the Federated and Police and Fire Retirement Funds and the Office of Retirement Services can be found in this budget document In the Source and Use of Funds Statements section. There are five Source and Use of Funds Statements included for display purposes, consisting of Federated Retirement Fund, Federated Retiree Health Care Trust Fund, Fire Retiree Health Care Trust Fund, Police and Fire Retirement Fund, and Police Retiree Health Care Trust Fund.

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	37,633	61,000	61,000	61,000
Federated Retirement Funds	4,515,000	4,708,062	4,812,545	4,915,534
Police and Fire Retirement Funds	5,063,999	5,298,539	5,408,083	5,507,563
Total	**$9,616,632**	**$10,067,601**	**$10,281,628**	**$10,484,097**
Positions by Core Service **				
Retirement Plan Administration	30.80	30.30	30.30	31.30
Strategic Support - City Council Appointees	14.20	14.70	14.70	14.70
Total	**45.00**	**45.00**	**45.00**	**46.00**

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.
** The position counts displayed in the 2024-2025 Actuals column reflect those included in the 2024-2025 Adopted Budget.
*** 2024-2025 Actuals may not subtotal due to rounding.
**** The amounts in the 2025-2026 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Office of Retirement Services

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Retirement Plan Administration					
Retirement Benefits	3,579,992	3,759,511	3,769,745	3,989,734	20.30
Retirement Investments	2,826,136	2,952,294	2,977,578	2,960,058	11.00
Sub-Total	**6,406,128**	**6,711,805**	**6,747,323**	**6,949,792**	**31.30**
Strategic Support - City Council Appointees					
Retirement Services Financial Management	1,263,498	1,319,900	1,347,470	1,347,470	6.20
Retirement Services Information Technology	826,494	863,388	882,337	882,337	3.20
Retirement Services Management and Administration	1,111,875	1,161,508	1,293,498	1,293,498	5.30
Sub-Total	**3,201,867**	**3,344,796**	**3,523,305**	**3,523,305**	**14.70**
Strategic Support - Other - Council Appointees					
Retirement Services Other Departmental - City-Wide	8,637	11,000	11,000	11,000	0.00
Sub-Total	**8,637**	**11,000**	**11,000**	**11,000**	**0.00**
Total	**$9,616,632**	**$10,067,601**	**$10,281,628**	**$10,484,097**	**46.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Office of Retirement Services

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)
Prior Year Budget (2025-2026):	**45.00**	**10,006,601**
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• NONE		
One-time Prior Year Expenditures Subtotal:	**0.00**	**0**
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations:	0.00	214,027
- 1.0 Staff Specialist to 1.0 Analyst I/II		
Technical Adjustments Subtotal:	**0.00**	**214,027**
2026-2027 Forecast Base Budget:	**45.00**	**10,220,628**
Budget Proposals Recommended		
1. Benefits Division Staffing	1.00	219,989
2. Investments Division Staffing	0.00	(17,520)
Total Budget Proposals Recommended	**1.00**	**202,469**
2026-2027 Proposed Budget Total	**46.00**	**10,423,097**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)
1. Benefits Division Staffing	**1.00**	**219,989**

Strategic Support – Council Appointees CSA
Retirement Plan Administration Core Service
Retirement Benefits Program

This action continues and makes permanent 1.0 Program Manager position, effective July 1, 2026, in the Benefits Division. A Program Manager position is needed to increase capacity for technology and innovation projects, oversee the disability retirement program, and bridge a critical leadership gap. Responsibilities of the Program Manager include serving as the Benefits Business Owner of the Pension Gold pension administration system and its member-facing portal, Member Direct, and managing the Disability Retirement Program for both the Police and Fire and Federated systems. The Disability Retirement Program continues to grow and includes processing applications that most often involve legal representation, presenting to both Boards and their Disability Committees on complex matters such as Independent Medical Examiner disputes and workers' compensation offsets, overseeing outside earning offsets, and managing contracts with the Boards' Disability Retirement Counsel and medical vendors. Additionally, the Program Manager position closes the gap between the analysts on the team and the Division Manager and serves as a coordinating link among Senior Analysts over other groups in the Benefits Division. (Ongoing costs: $219,989)

2. Investments Division Staffing	**0.00**	**(17,520)**

Strategic Support – Council Appointees CSA
Retirement Plan Administration Core Service
Retirement Investments Program

This action adds 1.0 Deputy Chief Investment Officer position and eliminates 1.0 Senior Retirement Investment Officer position in the Investment Division. The Office of Retirement Services manages approximately $10 billion in assets across two pension systems and three retiree healthcare funds. The investment division has expanded from four team members to eight, plus three investment operations staff, reflecting growth in both the portfolio's size and complexity. As the portfolio has grown, so have governance, compliance, reporting, and operational demands. The Senior Investment Officer classification focuses on asset-class management and is not designed to provide division wide administrative oversight, staff supervision, or operational leadership. The newly created Deputy Chief Investment Officer classification, which was established in November 2025, fills that gap. It is designed for broader management responsibilities, deeper involvement in compliance and governance, and the ability to support the Chief Investment Officer on strategy while directing internal operations. (Ongoing savings: $17,520)

2026-2027 Proposed Budget Changes Total	**1.00**	**202,469**

Office of Retirement Services

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Retirement Plan Administration

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	Actuarial Funded Status:				
	- Federated Pension Plan	64%	65%	66%	69%
	- Police and Fire Pension Plan	84%	87%	86%	88%
 *PM 2*	Trailing 10-year history of annual performance vs. discount rate[1]	6.90%	6.63%	6.63%	6.63%
 *PM 3*	Percent of active working members to retired members	80%	84%	80%	79%

[1] Federated and Police and Fire are the same for all years.

Office of Retirement Services

Performance Summary

Retirement Plan Administration

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of employees retired by pension plan type:				
	- Tier 1	10,069	9,949	9,943	9,819
	- Tier 2	1,202	1,325	1,276	1,354
	- Tier 2B	4,760	5,619	5,223	5,731
AWH 2	# of customer interactions received by type:				
	- Main customer service desk via calls	10,867	10,300	10,480	10,300
	- Email[1]	6,536	6,000	4,570	5,000
	- Walk-in	1,290	1,300	1,025	1,100
AWH 3	Total $ amount in each plan type ($ in thousands):				
	- Pensions				
	- Federated	$3,486,313	$3,429,239	$3,755,378	$3,817,880
	- Police and Fire	$5,568,979	$5,512,275	$5,986,700	$6,048,285
	- Healthcare				
	- Federated	$461,586	$438,885	$487,187	$512,386
	- Police and Fire	$397,098	$417,574	$480,931	$457,349
AWH 4	# of pension benefit applications processed[2]	347	325	315	325

[1] Measure includes email and the pension administration system messaging tool, "Member Direct." 2024-2025 increase is primarly due to improvements in manual data tracking.

[2] Measure includes new pension benefits for service retirements, deferred vested retirements, approved disability retirements, survivorships, and alternate payee (ex-spouse) retirements.

Data Sources: Retirement Plan Administration

Number	Data Source
PM 1	Actuarial valuation reports as of June 30, 2025
PM 2	Quarter Performance Report - June 30, 2025, Actuarial Valuation Report - June 30, 2025
PM 3	2025 ACFRs - Note 1 - combined plans
AWH 1	2025 ACFRs - Note 1 - combined plans
AWH 2	Front desk customer contact logs
AWH 3	2025 ACFRs - Financial Statements
AWH 4	CEO metric spreadsheet

Office of Retirement Services

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accountant I/II	2.00	2.00	-
Account Clerk I/II	1.00	1.00	-
Analyst I/II	9.00	10.00	1.00
Assistant Director and Chief Investment Officer	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	1.00	1.00	-
Director of Retirement Services	1.00	1.00	-
Division Manager	2.00	2.00	-
Executive Assistant U	1.00	1.00	-
Financial Analyst	1.00	1.00	-
Information Systems Analyst	1.00	1.00	-
Network Technician I/II/III	1.00	1.00	-
Program Manager	1.00	2.00	1.00
Retirement Deputy Chief Investment Officer	0.00	1.00	1.00
Retirement Investment Analyst I/II	2.00	2.00	-
Retirement Investment Officer	3.00	3.00	-
Retirement Investment Operations Supervisor	1.00	1.00	-
Senior Accountant	2.00	2.00	-
Senior Analyst	3.00	3.00	-
Senior Office Specialist	2.00	2.00	-
Senior Retirement Investment Officer	2.00	1.00	(1.00)
Senior Supervisor, Administration	1.00	1.00	-
Staff Specialist	6.00	5.00	(1.00)
Total Positions	**45.00**	**46.00**	**1.00**

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Transportation Department

John Ristow, Director

MISSION

Our mission is to equitably serve our diverse community and enhance quality of life by planning and operating safe transportation systems, promoting sustainable transportation choices, and maintaining resilient infrastructure.

CITY SERVICE AREA

Environmental and Utility Services
Transportation and Aviation Services

CORE SERVICES

SANITARY SEWER MAINTENANCE

Provide timely and effective cleaning and repair of the sanitary sewer collection system to ensure uninterrupted sewage flow to the San José-Santa Clara Regional Wastewater Facility.

STORM SEWER MAINTENANCE

Maintain and operate the storm sewer system in a way that ensures proper flow and is environmentally sensitive to the regional water tributary system and the South San Francisco Bay.

PARKING SERVICES

Provide well-maintained and operated public on-street and off-street parking facilities, implement effective policies and regulations, and encourage compliance with posted regulations and State and local codes.

PAVEMENT MAINTENANCE

Maintain and repair the street network pavement to allow for optimum street service life and the safe and efficient travel of the public.

STREET LANDSCAPE MAINTENANCE

Provide for the management and maintenance of street landscapes, street trees, and sidewalks in order to provide a safe and aesthetically pleasing streetscape.

TRAFFIC MAINTENANCE

Ensure the proper operation of the City's traffic devices and streetlights by providing maintenance and repair of traffic signals, streetlights, traffic safety devices, signs, and roadway markings.

TRANSPORTATION PLANNING AND PROJECT DELIVERY

Plan and develop the City's transportation system, prioritizing complete streets projects, programs and policies that advance sustainability and equity.

TRANSPORTATION SAFETY AND OPERATIONS

Provide for the safe and efficient movement of all roadway users by applying a Safe System Approach in designing and operating the road system.

Strategic Support: Budget and Financial Services, Information Technology, Marketing & Outreach, Personnel, Training and Safety, and Emergency Response and Recovery

Transportation Department

Service Delivery Framework

PROGRAM	DESCRIPTION
Sanitary Sewer Maintenance Core Service	
Sanitary Sewer System Maintenance	Provides maintenance and engineering services for the 2,000+ mile sanitary sewer system.
Storm Sewer Maintenance Core Service	
Storm Sewer Operation and Maintenance	Provides maintenance and engineering services for the City's 1,250+ mile storm sewer system and interdepartmental coordination on water quality issues and storm response.
Street Sweeping	Provides in-house street sweeping on the City's major arterial and business district streets and inspects street sweeping.
Parking Services Core Service	
Off-Street Parking	Manages the City's public parking facilities, including planning, maintenance, security, and operations of parking facilities, and implementation of the annual capital improvement program.
On-Street Downtown Operations	Provides transportation planning and operations support for special events in the Downtown area and City-wide, including developing and implementing event transportation and parking management plans.
On-Street Parking	Provides on-street parking compliance services in metered zones, school zones, residential permit parking zones, and supports street sweeping, construction activities, and enhanced traffic safety; collects revenue for parking fees and fines; and provides meter maintenance. Manages vehicle abatement program with an equity lens.
Pavement Maintenance Core Service	
Corrective Pavement Repair	Responds to urgent service requests and complaints to repair potholes and other minor damage to the pavement network.
Pavement Maintenance Administration and Capital Project Delivery	Assesses and manages the City's 2,500+ mile pavement network, including planning and delivering the annual pavement maintenance projects, managing and developing the capital pavement budget, installing ADA curb ramps, and maintaining the City's bridges.
Street Landscaping Maintenance Core Service	
Special District Landscape Services	Oversees contractual landscape maintenance in 23 special-funded maintenance districts that have been established in the City.
Streetscape Services	Provides in-house and contractual landscape maintenance on City-owned median islands and frontage properties, tree and sidewalk inspections and repair, special event support, and roadway illegal dumping response for street and traffic safety. Assesses and manages the urban forest to protect, enhance, and grow the City’s tree canopy.

Service Delivery Framework

PROGRAM	DESCRIPTION
Traffic Maintenance Core Service	
Traffic Signal Maintenance	Performs maintenance and repairs on the City's 950+ traffic signals, maintains communications between traffic infrastructure and the centralized traffic management system, and performs special project work for traffic signal infrastructure upgrades in addition to funding utility costs for signals city-wide.
Traffic Signs and Markings Maintenance	Performs preventive and corrective maintenance on traffic signs and roadway markings and performs banner installations; installs and repairs traffic safety and traffic calming improvements.
Traffic Streetlights Maintenance	Performs maintenance and repairs on the City's 65,600+ streetlights in addition to funding utility costs for streetlights city-wide.
Transportation Planning and Project Delivery Core Service	
Transportation Capital Project Delivery	Manages the development of major local street improvement and regional transit, rail, and highway projects throughout the City, including grant pursuit, grant management, policy review, project planning, CEQA review, engineering and design, roadway geometric design, and construction.
Transportation Multi-Modal Alternatives	Designs streets for all transportation modes (walking, bicycling, transit, driving) to increase safety and multi-modal travel. Coordinates with new development applicants for the department, in close coordination with the City's Development Services.
Transportation Planning and Policy	Plans and implements the transportation elements of the General Plan, coordinates transportation and land use planning studies, analyzes the performance of the transportation system, supports policy and technical committees for regional transportation organizations, and reviews and advocates for transportation legislation and funding serving San José interests. Supports implementation of Climate Smart San José, through programs to electrify the transportation system and increase the use of sustainable, emerging transportation modes.
Transportation Safety and Operations Core Service	
Neighborhood Traffic	Responds to an average of 1,200 traffic safety service requests annually. Services include traffic studies which may result in the installation of traffic control devices, pedestrian and bicycle improvements, or physical roadway features, including signage, pavement striping, and/or pavement markings.
Traffic Safety	Constructs traffic safety improvement projects for pedestrian safety and traffic calming. Provides traffic safety education to children, adults, and older adults. Implements the Vision Zero Action Plan to build a culture of safety through community outreach and engagement, data analytics, quick build data-driven safety improvements, and prioritizing resources on high corridors and districts with high fatal and severe injury crashes.
Traffic Signals, Streetlights and Systems Management	Operates the City's 950+ traffic signals to ensure safe and efficient movement of all roadway users. Manages associated traffic systems (communication and video network) to support remote traffic management capabilities, transit signal priority, emergency vehicle preemption priority, and smart city operations. Manages streetlight LED conversion and smart control update.

Service Delivery Framework

PROGRAM	DESCRIPTION
Strategic Support Core Service	
Transportation Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Transportation Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Transportation Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Transportation Management and Administration	Provides executive-level, analytical and administrative support to the department. Performs community outreach, strategic communications, and media relations to advance priorities.

Department Budget Summary

Expected 2026-2027 Service Delivery

- Provide a safe transportation system for the traveling public through effective engineering, education, and enforcement. Prioritize the implementation of Vision Zero Action Plan strategies to reduce traffic fatalities.
- Continue work on implementing balanced, multimodal goals of the Envision San José 2040 General Plan to provide a transportation network for all users that is safe, efficient, and sustainable.
- Facilitate a variety of regional transportation projects, including BART Silicon Valley Phase II, California High Speed Rail, Caltrain Modernization, Airport Connector, the expanded Diridon Integrated Station, and numerous highway interchange and overcrossing improvements.
- Continue the efficient and effective repair and maintenance of the City's approximately 2,500 miles of transportation infrastructure, including streetlights, traffic signals, traffic and street signs, pavement, roadway markings, trees, landscaping, street sweeping, sidewalks, curb ramps, sewers, pump stations, trash capture devices, and storm drains.
- Provide parking for business, retail, and event customers and employees in Downtown parking facilities, as well as parking compliance services in support of businesses and programs.
- Support the development, demonstration, and implementation of new technologies and innovations that help advance critical transportation goals.
- Continue to effectively manage the Department's budget; hire and effectively train employees; manage information technology to maximize productivity; and continually improve employee safety.

2026-2027 Key Budget Actions

- Adds 1.0 Principal Engineer, 1.0 Staff Specialist, and 3.0 Parking and Traffic Control Officer (PTCO) positions in the Building and Structure Construction Tax Fund; deletes 1.0 Senior Transportation Specialist position from the General Fund; and shifts 1.0 Associate Engineer position and $600,000 in non-personal/equipment funding from the General Fund to the Building and Structure Construciton Tax Fund to fully implement the Automated Speed Enforcement (ASE) pilot program through June 30, 2031. Costs will be entirely offset by citation revenue and grant funds in the Building and Structure Construction Tax Fund.
- Adds 0.50 PTCO position and associated overtime and non-personal/equipment funding for the implementation and enforcement of higher parking rates and extended paid parking hours at meters in San José's Downtown core. This is expected to generate an additional $1.2 million in revenue for the General Purpose Parking Fund that will be transferred to the General Fund.
- Adds 1.0 PTCO position and associated overtime and non-personal/equipment funding, offset by General Fund and General Purpose Parking Fund revenues, for the establishment and enforcement of on-street paid parking in the Willow Glen neighborhood along Lincoln Avenue.
- Adds overtime and non-personal/equipment funding to meet the Municipal Regional Stormwater Permit's mandated provisions by implementing an Enhanced Street Sweeping pilot program to address poor-performing On-Land Visual Trash Assessment sites ($291,400 in the Storm Sewer Fund); continue storm sewer inlet marking upgrades ($150,000 in the Storm Sewer Fund); and continue mitigating Polychlorinated Biphenyl (PCB) pollutants ($50,000 in the General Fund).
- Generates ongoing General Fund savings through: the elimination of 1.0 Office Specialist position from the Tree and Sidewalk Program; the elimination of 1.0 Office Specialist position from the Traffic Safety Data Collection program in the Construction Excise Tax Fund; the funding shift of 1.0 Engineering Technician position from the General Fund to the Construction Excise Tax Fund; and the migration of virtual machines from on-premises to a cloud-based service.

Operating Funds Managed

- Community Facilities District/Maintenance Assessment District Funds
- Downtown Property Business and Improvement District Fund
- General Purpose Parking Fund

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Core Service				
Debt and Treasury Management	0	0	0	0
Parking Services	24,929,568	26,743,464	27,094,388	27,498,719
Pavement Maintenance	14,726,162	12,486,510	12,901,104	12,901,104
Sanitary Sewer Maintenance	26,514,091	34,713,869	28,500,775	28,530,775
Storm Sewer Maintenance	8,862,473	11,917,822	10,430,848	10,929,248
Strategic Support - Environmental & Utility Services	3,132,064	2,708,445	3,534,169	3,534,169
Strategic Support - Other - Environmental & Utility Services	6,435,683	6,995,683	6,585,105	6,585,105
Strategic Support - Other - Transportation & Aviation	11,074,336	18,940,904	19,603,144	19,784,047
Strategic Support - Transportation & Aviation	4,941,252	4,381,813	6,220,847	6,031,189
Street Landscape Maintenance	23,538,226	27,232,351	23,477,113	25,118,944
Traffic Maintenance	17,985,040	22,249,133	22,298,832	22,215,811
Transportation Planning and Project Delivery	14,017,250	12,273,629	11,871,748	12,020,323
Transportation Safety and Operations	19,956,962	18,040,168	16,588,613	17,286,081
Total	**$176,113,107**	**$198,683,791**	**$189,106,686**	**$192,435,515**
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	92,444,024	102,596,894	105,209,211	106,311,891
Overtime	4,140,928	2,278,923	2,358,338	2,841,338
Subtotal Personal Services	$96,584,952	$104,875,817	$107,567,549	$109,153,229
Non-Personal/Equipment	50,546,655	61,857,095	52,347,688	52,147,248
Total Personal Services & Non-Personal/Equipment	**$147,131,607**	**$166,732,912**	**$159,915,237**	**$161,300,477**
Other Costs *				
City-Wide Expenses	4,619,279	6,859,292	3,954,200	5,716,886
General Fund Capital	588,563	715,936	0	0
Housing Loans and Grants	2,240	0	0	0
Other	5,503,549	5,746,821	6,252,290	6,252,290

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Transportation Department

Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Overhead Costs	17,952,792	18,074,830	18,462,959	18,643,862
Workers' Compensation	315,077	554,000	522,000	522,000
Total Other Costs	**$28,981,500**	**$31,950,879**	**$29,191,449**	**$31,135,038**
Total	**$176,113,107**	**$198,683,791**	**$189,106,686**	**$192,435,515**

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Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Dollars by Fund				
General Fund (001)	55,315,292	63,913,801	59,662,894	61,194,178
Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)	2,435,896	2,092,126	2,285,168	2,285,168
Community Development Block Grant Fund (441)	11,151	0	0	0
Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)	196,867	297,532	309,593	309,593
Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)	29,568	68,516	70,833	70,833
Community Facilities District No. 12 (Basking Ridge) Fund (376)	301,068	254,921	245,721	245,721
Community Facilities District No. 13 (Guadalupe Mines) Fund (310)	51,990	74,212	74,230	74,230
Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)	237,431	310,784	217,406	217,406
Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)	141,899	198,845	206,029	206,029
Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)	282,038	328,352	365,570	365,570
Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)	150,618	186,460	183,331	183,331
Community Facilities District No. 8 (Communications Hill) Fund (373)	1,160,358	1,370,955	1,452,223	1,452,223
Downtown Property and Business Improvement District Fund (302)	5,503,549	5,746,821	6,252,290	6,252,290
General Purpose Parking Fund (533)	11,855,465	12,298,677	12,489,232	12,615,232
Maintenance District No. 1 (Los Paseos) Fund (352)	342,623	395,841	424,308	424,308
Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)	109,585	139,501	145,301	145,301
Maintenance District No. 13 (Karina-O'Nel) Fund (366)	43,980	42,817	47,735	47,735
Maintenance District No. 15 (Silver Creek Valley) Fund (368)	1,577,448	1,833,973	1,949,838	1,952,838
Maintenance District No. 18 (The Meadowlands) Fund (372)	68,218	61,367	62,925	62,925
Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)	179,253	198,033	193,490	193,490
Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)	170,053	122,942	127,837	127,837

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Department Budget Summary

	2024-2025 Actuals ***	2025-2026 Adopted ****	2026-2027 Forecast	2026-2027 Proposed
Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)	75,327	91,217	80,137	80,137
Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)	110,468	133,883	166,415	166,415
Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)	137,744	110,368	111,679	111,679
Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)	149,942	101,900	96,060	96,060
Maintenance District No. 8 (Zanker-Montague) Fund (361)	126,637	148,268	144,156	144,156
Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)	237,165	231,417	251,456	251,456
Public Works Development Fee Program Fund (241)	53	0	0	0
Real Property Transfer Tax Fund (404)	11,337	0	0	0
Sewer Service and Use Charge Fund (541)	34,478,507	41,387,145	35,696,431	35,726,431
Storm Sewer Operating Fund (446)	11,622,936	15,816,101	13,708,624	14,157,024
Capital Funds	48,998,641	50,727,016	52,085,774	53,275,919
Total	**$176,113,107**	**$198,683,791**	**$189,106,686**	**$192,435,515**
Positions by Core Service **				
Parking Services	78.84	86.84	86.59	88.09
Pavement Maintenance	64.00	64.96	64.60	64.60
Sanitary Sewer Maintenance	107.55	107.55	102.90	102.90
Storm Sewer Maintenance	45.41	45.41	45.01	45.01
Strategic Support - Environmental & Utility Services	11.03	11.03	15.58	15.58
Strategic Support - Transportation & Aviation	17.59	16.59	25.49	24.49
Street Landscape Maintenance	49.33	49.33	48.03	49.03
Traffic Maintenance	47.65	47.65	47.00	46.00
Transportation Planning and Project Delivery	47.85	47.85	46.70	46.70
Transportation Safety and Operations	72.25	71.29	65.60	70.60
Total	**541.50**	**548.50**	**547.50**	**553.00**

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Transportation Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Dollars by Program*					
Parking Services					
Off-Street Parking	9,996,371	9,053,290	9,529,553	9,529,553	6.45
On-Street Downtown Operations	713,007	336,769	340,487	340,487	1.65
On-Street Parking	14,220,190	17,353,405	17,224,348	17,628,679	79.99
Sub-Total	**24,929,568**	**26,743,464**	**27,094,388**	**27,498,719**	**88.09**
Pavement Maintenance					
Corrective Pavement Repair	3,422,149	621,828	648,344	648,344	4.40
Pavement Maintenance Administration and Capital Project Delivery	11,304,013	11,864,682	12,252,760	12,252,760	60.20
Sub-Total	**14,726,162**	**12,486,510**	**12,901,104**	**12,901,104**	**64.60**
Sanitary Sewer Maintenance					
Sanitary Sewer System Maintenance	26,514,091	34,713,869	28,500,775	28,530,775	102.90
Sub-Total	**26,514,091**	**34,713,869**	**28,500,775**	**28,530,775**	**102.90**
Storm Sewer Maintenance					
Storm Sewer Operation and Maintenance	6,986,296	9,909,449	8,302,479	8,502,479	35.40
Street Sweeping	1,876,177	2,008,373	2,128,369	2,426,769	9.61
Sub-Total	**8,862,473**	**11,917,822**	**10,430,848**	**10,929,248**	**45.01**
Strategic Support - Environmental & Utility Services					
Transportation Financial Management - Environmental and Utility Services	1,187,133	653,557	961,654	961,654	5.08
Transportation Human Resources - Environmental and Utility Services	436,399	392,476	313,029	313,029	1.80
Transportation Information Technology - Environmental and Utility Services	587,230	688,536	1,325,744	1,325,744	5.60

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** 2024-2025 Actuals may not subtotal due to rounding.

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Transportation Management and Administration- Environmental and Utility Services	921,302	973,876	933,742	933,742	3.10
Sub-Total	**3,132,064**	**2,708,445**	**3,534,169**	**3,534,169**	**15.58**
Strategic Support - Other - Environmental & Utility Services					
Transportation Other Operational - Administration - Environmental and Utility Se	2,142	0	0	0	0.00
Transportation Overhead - Environmental and Utility Services	6,433,541	6,995,683	6,585,105	6,585,105	0.00
Sub-Total	**6,435,683**	**6,995,683**	**6,585,105**	**6,585,105**	**0.00**
Strategic Support - Other - Transportation & Aviation					
Transportation Capital - Transportation and Aviation	10,149	609,936	0	0	0.00
Transportation Other Departmental - City-Wide - Transportation and Aviation	41,922	513,000	513,000	513,000	0.00
Transportation Other Departmental - Grants - Transportation and Aviation	24,850	0	0	0	0.00
Transportation Other Operational - Administration - Transportation and Aviation	6,349,766	6,184,821	6,690,290	6,690,290	0.00
Transportation Overhead - Transportation and Aviation	4,644,081	11,079,147	11,877,854	12,058,757	0.00
Transportation Workers' Compensation - Transportation and Aviation	3,568	554,000	522,000	522,000	0.00
Sub-Total	**11,074,336**	**18,940,904**	**19,603,144**	**19,784,047**	**0.00**
Strategic Support - Transportation & Aviation					
Transportation Financial Management - Transportation and Aviation	1,826,926	1,427,235	1,774,071	1,774,071	9.39
Transportation Human Resources - Transportation and Aviation	458,338	455,604	445,067	445,067	2.50
Transportation Information Technology - Transportation and Aviation	1,476,827	1,660,657	2,641,868	2,452,210	8.35
Transportation Management and Administration - Transportation and Aviation	1,179,161	838,317	1,359,841	1,359,841	4.25
Sub-Total	**4,941,252**	**4,381,813**	**6,220,847**	**6,031,189**	**24.49**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Transportation Department

Department Budget Summary

	2024-2025 Actuals **	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	2026-2027 Proposed Positions
Street Landscape Maintenance					
Special District Landscape Services	7,718,288	8,041,209	8,505,439	8,508,439	12.74
Streetscape Services	15,819,938	19,191,142	14,971,674	16,610,505	36.29
Sub-Total	**23,538,226**	**27,232,351**	**23,477,113**	**25,118,944**	**49.03**
Traffic Maintenance					
Traffic Signal Maintenance	4,899,223	6,099,626	6,111,763	5,923,742	16.00
Traffic Signs and Markings Maintenance	3,702,448	4,509,528	4,692,487	4,692,487	22.00
Traffic Streetlights Maintenance	9,383,369	11,639,979	11,494,582	11,599,582	8.00
Sub-Total	**17,985,040**	**22,249,133**	**22,298,832**	**22,215,811**	**46.00**
Transportation Planning and Project Delivery					
Transportation Capital Project Delivery	8,331,421	8,056,764	7,417,051	7,417,051	28.17
Transportation Multi-Modal Alternatives	2,662,498	1,310,733	1,287,792	1,436,367	5.76
Transportation Planning and Policy	3,023,331	2,906,132	3,166,905	3,166,905	12.77
Sub-Total	**14,017,250**	**12,273,629**	**11,871,748**	**12,020,323**	**46.70**
Transportation Safety and Operations					
Neighborhood Traffic	1,128,467	2,513,255	2,387,965	2,387,965	9.25
Traffic Safety	8,896,616	5,434,374	5,704,900	6,398,438	28.43
Traffic Signals and Systems Management	9,931,879	10,092,539	8,495,748	8,499,678	32.92
Sub-Total	**19,956,962**	**18,040,168**	**16,588,613**	**17,286,081**	**70.60**
Total	**$176,113,107**	**$198,683,791**	**$189,106,686**	**$192,435,515**	**553.00**

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

** 2024-2025 Actuals may not subtotal due to rounding.

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Prior Year Budget (2025-2026):	**548.50**	**166,732,912**	**55,804,573**
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(10,044,771)	(1,254,721)
• Parking Enforcement Enhancements		(474,513)	(474,513)
• Sidewalk Repairs at City-Owned Properties		(250,000)	(250,000)
• Multimodal Safety Improvements and Grant Projects Staffing (1.0 Associate Engineer)	(1.00)	(229,494)	0
• Our City Forest Office Space (Effective 2026-2027)		(175,000)	(175,000)
• Storm Drain Inlet Markings		(145,000)	0
• Our City Forest (Tree Planting)		(10,000)	(10,000)
• Oversized and Lived-In Vehicle Enforcement (OLIVE) Program and Elimination of Extended Parking Stay (EPS) Contractual Enforcement Program		(1,640)	(1,640)
	(1.00)	**(11,330,418)**	**(2,165,874)**
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Associate Construction Inspector to 1.0 Urban Forestry Inspector I/II - 1.0 Transportation Specialist to 1.0 Engineer I/II	0.00	1,914,992	957,753
• Vacancy Factor Adjustment		1,052,444	283,227
• Utilities: Electricity, Gas, Water		514,000	(225,000)
• Overtime Adjustment		285,145	217,904
• Contract Services: Sewer Odor Control		158,457	0
• Contract Services: Environmental Logistics		127,000	127,000
• Vehicle Operations & Maintenance		83,113	20,113
• Contract Services: Streetscape Services (Special Assessment Districts)		51,853	0
• Insurance: City Parking Facilities		47,500	0
• Contract Services: Valley Transportation Authority Smart Passes		47,000	0
• Contract Services: Electrical Services		47,000	47,000
• New Traffic Infrastructure Assets Maintenance and Operations		43,000	43,000
• Contract Services: Parking Security Services		39,000	2,000
• Contract Services: Tree Maintenance		38,000	38,000
• Contract Services: Landscape Services		46,000	32,000
• Software/Information Services: Virtualization Software		32,000	32,000

Transportation Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	All Funds ($)	General Fund ($)
Technical Adjustments to Costs of Ongoing Activities			
• Software/Information Services: Geographic Information Services Software		25,000	25,000
• Software/Information Services: Licenses and Cloud Storage		16,000	16,000
• Community-Based Organization/Service Delivery Partner: Our City Forest		11,713	11,713
• Night Shift Differential Adjustment		3,684	1,709
• Contract Services: Sidewalk Repair		3,600	3,600
• Software/Information Services: Data Backup and Recovery Software		1,281	1,281
• Fund Shift: Special District Staffing	0.00	165	(7,718)
• Fund Shift: Traffic Capital Staffing	0.00	5	0
• Budget Program Realignment: Administration Staffing	0.00	2	2
• Contract Services: Janitorial Services		(75,000)	(75,000)
• Fund Shift: Parking Staffing	0.00	(211)	10,411
Technical Adjustments Subtotal:	**0.00**	**4,512,743**	**1,561,995**
2026-2027 Forecast Base Budget:	**547.50**	**159,915,237**	**55,200,694**
Budget Proposals Recommended			
1. Automated Speed Enforcement Program	4.00	411,888	(573,543)
2. Willow Glen On-Street Parking	1.00	297,187	222,187
3. Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		291,400	0
4. Senter Road Multimodal Safety Improvement Project Staffing (Continuation)	1.00	222,631	0
5. Quick Build Projects on Priority Safety Corridors (Continuation)	1.00	173,671	0
6. Storm Drain Inlet Marking Compliance (Installation)		150,000	0
7. VTA Board Coordination		148,575	148,575
8. Downtown Parking Rates and Hours	0.50	106,144	56,144
9. New Traffic Infrastructure Assets Operations and Maintenance		105,000	105,000
10. Vehicle Operations and Maintenance (Fleet Staffing)		63,000	22,000
11. Polychlorinated Biphenyl (PCB) Mitigation (Direct Discharge)		50,000	50,000
12. Inflation Reduction Act - Urban Forestry Grant (Transportation)	2.00	0	0
13. Traffic Capital Vacant Positions Elimination	(2.00)	(380,179)	0
14. Tree and Sidewalk Program Staffing	(1.00)	(123,855)	(123,855)
15. Traffic Safety Data Collection Staffing and Funding Shift	(1.00)	(110,722)	(118,410)
16. Virtual Machine Migration to Cloud		(19,500)	(19,500)
Total Budget Proposals Recommended	**5.50**	**1,385,240**	**(231,402)**
2026-2027 Proposed Budget Total	**553.00**	**161,300,477**	**54,969,292**

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
1. Automated Speed Enforcement Program	**4.00**	**411,888**	**(573,543)**

Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Traffic Safety and Traffic Signals and Systems Management Programs

In the Building and Structure Construction Tax Fund, this action adds 3.0 Parking and Traffic Control Officer (PTCO) positions, 1.0 Staff Specialist position, and 1.0 Principal Engineer position, all limit-dated through June 30, 2031, and shifts into this fund 1.0 Associate Engineer position and $600,000 in non-personal/equipment funding from the General Fund to expand and fully implement the City's Automated Speed Enforcement (ASE) pilot program. Additionally, this action deletes 1.0 Senior Transportation Specialist position in the General Fund. All costs related to the implementation, expansion, and operation of the ASE pilot program will be funded in the Building and Structure Construction Tax Fund, offset by estimated revenues from Fines, Forfeitures, and Penalties and the award of the Metropolitan Transportation Commission Regional Automated Speed Camera Campaign grant through the end of the ASE pilot program performance period.

On October 13, 2023, California Assembly Bill 645 (AB 645) was signed into law, authorizing six California cities, including the City of San José, to conduct a five-year Automated Speed Enforcement pilot from January 1, 2024, to January 1, 2032. AB 645 allows the City to have up to 33 speed enforcement systems in priority safety corridors, school zones and/or areas with a history of speed racing and sideshows.

To support this work, a 1.0 Principal Engineer, effective July 2026, will provide overall program oversight and coordination, serving as the lead for the Vision Zero and Automated Speed Enforcement programs. This position will be responsible for high-level reporting and briefings to the City leadership, City Council, and the Transportation and Environment Committee, ensuring transparency, accountability, and alignment with policy objectives. Additionally, the position will ensure strategic oversight of high-profile traffic safety initiatives, strengthen cross-departmental coordination, and support the City's commitment to reducing speed-related injuries and fatalities through evidence-based policy implementation. The 1.0 Staff Specialist position, effective July 2026, will ensure effective oversight and coordination of customer service operations related to the ASE programs, serving as the primary liaison between the City and customer service vendor, connecting customers with internal City partners, monitoring vendor performance, and assisting with incoming correspondence related to the ASE pilot and the City's Red Light Running programs. The 3.0 PTCO positions, effective July 2026, will support the daily operations of the ASE pilot program by reviewing speed camera activity to ensure accuracy, legal compliance, and timely citation issuance. Based on traffic violation data provided by the City of San Francisco from its Automated Speed Enforcement program, the Department estimates that this team will need to review violation data for approximately 2.2 million anticipated traffic violations and support the issuance of approximately 1.2 million traffic citations over the 5-year pilot performance period. (Ongoing costs: $534,647)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
2. Willow Glen On-Street Parking	**1.00**	**297,187**	**222,187**

Transportation and Aviation Services CSA
Parking Services Core Service
On-Street Parking Program

This action adds 1.0 PTCO and one-time non-personal/equipment funding of $159,360 to reflect the establishment and enforcement of on-street paid parking in San José's Willow Glen neighborhood, along Lincoln Avenue. This action also adds one-time funding of $25,000 for overtime. Non-Personal/Equipment funding is needed to purchase and outfit a vehicle for the PTCO and to purchase supplies and materials needed to install paid-parking signage for 100 parking spaces in this designated area. The Department anticipates this action will generate approximately $300,000 in revenue in 2026-2027 and $400,000 annually in the General Purpose Parking Fund from the parking meters. The revenue estimate for Fines, Forfeitures, and Penalties is estimated to increase by $97,500 in the General Fund due to enforcement activities. Establishing on-street paid parking is expected to increase parking space turnover and ensure short-term parking availability for customers and visitors. This will help address parking in high demand areas while not impacting nearby free City parking options. (Ongoing costs: $129,747)

3. Enhanced Street Sweeping for 100% Trash Load Reduction Compliance		**291,400**	**0**

Environmental and Utility Services CSA
Storm Sewer Maintenance Core Service
Street Sweeping Program

This action adds overtime funding of $228,000 and non-personal/equipment funding of $63,400 to fund one-time an Enhanced Street Sweeping pilot program in the Storm Sewer Operating Fund. The Santa Clara Valley Urban Pollution Prevention Program identified 28 locations across the City as poor-performing On-Land Visual Trash Assessment (OVTA) sites. To address these OVTA sites, the Transportation Department will perform quarterly street sweeping by leveraging existing City staff to do this work on an overtime basis. The non-personal/equipment funding will be used to rent a Street Sweeper ($50,400) and purchase A-frames ($5,000) and Temporary Tow-Away signage ($8,000) for the affected areas. Elsewhere in the budget, one-time funding of $50,000 is included in the Environmental Services Department for overtime to support the outreach effort related to street sweeping activities for these poor-performing OVTA sites. This work will be funded using settlement funds received in the Storm Sewer Operating Fund. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
4. Senter Road Multimodal Safety Improvement Project Staffing (Continuation)	**1.00**	**222,631**	**0**

Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Traffic Signals and Systems Management Program

This action continues 1.0 Associate Engineer position funded by the Building and Structure Construction Tax Fund, limit-dated through June 30, 2028, to support the completion of pedestrian, bicycle, and transit safety improvements along Senter Road. This position is grant-funded and is critical in supporting the delivery of the Senter Road Multimodal Safety Improvement project, which was identified as a priority Vision Zero corridor in the City's 2020 Vision Zero Action Plan. The Associate Engineer was originally added as a limit-dated position through June 30, 2026, in the 2023-2024 Adopted Budget, as approved by City Council, to lead the delivery of the East San José Safety Improvements for Senter Road project and to support other grant-funded safety projects. Due to project delays and an extended project scope paid from additional project funding from the City's state-funded Low Carbon Transit Operations Program and federal-funded Bus Accelerated Infrastructure Delivery (BusAID) grants, the project is now expected to be complete by Spring 2028. The Associate Engineer will continue to provide project management, engineering support, and community coordination needed to complete the related projects along Senter Road. (Ongoing costs: $222,631)

5. Quick Build Projects on Priority Safety Corridors (Continuation)	**1.00**	**173,671**	**0**

Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Traffic Safety Program

This action continues and makes permanent 1.0 Transportation Specialist position funded by the Construction Excise Tax Fund to support the implementation of a project analysis framework for a standardized before-and-after evaluation program to aid in the assessment of the City's Quick Build traffic improvement on priority safety corridors. The position is needed to develop and maintain a formal Standard Operating Procedure (SOP) for evaluating the effectiveness of all Quick Build projects. The Department delivers over 40 pedestrian and traffic calming safety projects annually. This position creates a consistent and repeatable framework for performance measurement, transparency, and accountability by analyzing crash, speed, and traffic volume data with established project goals and performance measures. The Department estimates this position will be needed for two years to fully implement the SOP and will evaluate future needs for the position as it relates to Vision Zero initiatives at a later time. (Ongoing costs: $173,671)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
6. Storm Drain Inlet Marking Compliance (Installation)		**150,000**	**0**

Environmental and Utility Services CSA
Storm Sewer Maintenance Core Service
Storm Sewer Operation and Maintenance Program

This action adds one-time overtime funding of $150,000 in the Storm Sewer Operating Fund for the continued installation of markers on storm drain inlets. The Storm Sewer Maintenance team will use this overtime funding to help replace missing or illegible storm drain inlet markings. Funding was previously approved for 2025-2026, allowing marking of roughly one-third of the inlets, with the remaining 23,000 of the 35,000 inlets to be marked over the next two years. To remain in compliance with the Municipal Regional Stormwater Permit (MRSP), municipally maintained storm drain inlets must display an appropriate stormwater pollution prevention message. Further, the MRSP requires the City to mark at least 80% of the municipally maintained storm drains with markings that display "No Dumping" on the inlets by June 30, 2026. Elsewhere in the budget, one-time non-personal/equipment funding of $225,000 is recommended to be added in the Environmental Services Department's budget for the acquisition of aluminum medallion markers. (Ongoing costs: $0)

7. VTA Board Coordination		**148,575**	**148,575**

Transportation and Aviation Services CSA
Transportation Planning and Project Delivery Core Service
Transportation Multi-Modal Alternatives Program

This action adds one-time personal services funding of $148,575 for temporary staff to continue to support the City's federal, State, and regional transportation policy and legislative efforts with the Metropolitan Transportation Commission, the VTA, and California Transportation Commission through December 2026. Key functions include tracking legislation, analyzing proposed policy, and internal communication of complex legislative and other policy proposals with impacts to transportation outcomes and/or funding. In September 2025, the City Council approved an agreement with the VTA that provides reimbursement to the City for staff costs incurred as part of this coordination effort. The agreement became retroactively effective from February 2025 and extends until December 2026, with a not-to-exceed amount of $526,000. The Department estimates it will receive reimbursement for the temporary staff through 2025-2026 of $377,000. (Ongoing costs: $0)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
8. Downtown Parking Rates and Hours	**0.50**	**106,144**	**56,144**

Transportation and Aviation Services CSA
Parking Services Core Service
On-Street Parking Program

This action adds 0.50 PTCO position and $8,300 of non-personal/equipment funding in the General Fund ($1,800 ongoing) and provides $30,000 one-time for overtime and $20,000 in one-time non-personal/equipment funding in the General Purpose Parking Fund to support the extension and enforcement of paid parking hours for meters in San José's Downtown core. Paid parking hours will extend by three hours, from 6:00 PM to 9:00 PM and will impact approximately 1,600 parking meters installed within the Downtown core. Further, to help encourage metered parking turnover during these extended hours, the Department will increase the parking rate from $2 per hour to $4 per hour for meters within a two-block radius of City parking garages; this will be the first rate increase for City meters since 2014. The proposed increase will impact approximately 900 City parking meters in the Downtown core and is expected to generate approximately $1.2 million in additional revenue in the General Purpose Parking Fund that will be subsequently transferred to the General Fund. Current activity related to dining, entertainment, residential occupancy, and special events in the Downtown core increasingly extends beyond the traditional 9:00 AM-6:00 PM hours, resulting in high parking demand during evenings and weekends. Expanding paid meter hours and rates at select meters will improve space availability, support local businesses by increasing customer access, and promote equitable use of public parking resources, while also providing a consistent and predictable parking experience on-street and off-street. The Department anticipates that these changes will be operationalized at impacted City meters with updated signage, effective August 2026. Notably, nearby City Parking Garages in the Downtown Core will continue to have free parking for the first 90 minutes, and rate schedules related to garage parking after 6:00 PM will remain unchanged at this time. (Ongoing costs: $54,420)

9. New Traffic Infrastructure Assets Operations and Maintenance		**105,000**	**105,000**

Transportation and Aviation Services CSA
Traffic Maintenance Core Service
Traffic Streetlights Maintenance Program

This action adds ongoing non-personal/equipment funding of $105,000 in the General Fund for the operations and maintenance impacts associated with new capital improvements that are scheduled to come on-line in 2026-2027 as part of the five-year Traffic Capital Improvement Program. Examples include Safety - Pedestrian Improvements, Better Bikeways San Fernando, and Vision Zero: East San José Safety Improvements for Senter Road projects. Funding is provided for the acquisition and installation of radar speed display signs and to maintain bollards for safety projects. This funding need was anticipated in the 2027-2031 General Fund Five-Year Forecast and is supported through the liquidation of the New Traffic Infrastructure Assets Operations and Maintenance Reserve established in the Forecast. (Ongoing costs: $108,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
10. Vehicle Operations and Maintenance (Fleet Staffing)		**63,000**	**22,000**

Transportation and Aviation Services CSA
Street Landscaping Maintenance Core Service
Special District Landscape Services Program
Parking Services Core Service
On-Street Parking Program
Traffic Maintenance Core Service
Traffic Signal Maintenance Program

Environmental and Utility Services CSA
Sanitary Sewer Maintenance Core Service
Sanitary Sewer System Maintenance Program
Storm Sewer Maintenance Core Service
Street Sweeping Program

This action adds ongoing non-personal/equipment funding totaling $63,000, allocated in the General Fund ($22,000), Maintenance District No. 15 (Silver Creek Valley) Fund ($3,000), Storm Sewer Operating Fund ($7,000), General Purpose Parking Fund ($1,000), and Sewer Service and Use Charge Fund ($30,000) for operations and maintenance costs related to the Fleet Maintenance Services Staffing budget action, as described in the Public Works Department section of this document. These positions will strengthen maintenance capacity and support increasing operational demands city-wide in the Fleet Division by expanding frontline maintenance capacity needed to address growing fleet complexity, alternative fuel and electric vehicle integration, and service backlogs. This action will improve vehicle maintenance turnaround times, enhance preventive maintenance efforts, reduce reliance on overtime and external vendors, and support reliable service delivery for departments dependent on fleet vehicles to carry out essential City operations. (Ongoing costs: $76,000)

11. Polychlorinated Biphenyl (PCB) Mitigation (Direct Discharge)		**50,000**	**50,000**

Transportation and Aviation Service CSA
Storm Sewer Maintenance Core Service
Storm Sewer Operation and Maintenance Program

This action adds ongoing overtime funding of $50,000 in the General Fund for departmental staff to support storm sewer line maintenance by conducting additional street sweeping to mitigate legacy Polychlorinated Biphenyls (PCB) pollutants as part of the enhanced operations and maintenance compliance requirements of MSRP 3.0 Provision C.12. During the development of the 2024-2025 Adopted Operating Budget, the City allocated $40,000 in one-time funds to pilot this PCB mitigation effort at 14 sites. In partnership with the Environmental Services Department, the Transportation Department has implemented and operationalized this work and will use this ongoing funding to perform a combination of annual storm line cleaning and annual street sweepings at 18 sites across the City. This funding will also allow the City to clean storm lines and increase the frequency of catch basin cleaning which aligns the City with requirements set by Provision C.12 and helps prevent PCB pollutants from entering local waterways. (Ongoing costs: $50,000)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
12. Inflation Reduction Act – Urban Forestry Grant (Transportation)	**2.00**	**0**	**0**

Transportation and Aviation Services CSA
Street Landscape Maintenance Core Service
Streetscape Services Program

This action adds 2.0 Assistant Arborist positions, limit-dated through June 30, 2028, and allocates one-time funding of $1.4 million in the City-Wide Expenses section for the Inflation Reduction Act – Urban Forestry Grant. In September 2023, the Department was awarded $5.6 million in grant funds from the United States Forest Service (USFS). This allocation marks the third year of a five-year grant. Of the total grant award of $5.6 million, $3.7 million remains allocated for future years. These funds will continue to provide for an outside contractor to plant and maintain trees in historically disadvantaged communities in the City. These funds will also cover the update of San José's street tree inventory, community outreach, pruning of 5,000 street trees, planting 2,800 trees, and performing after care for new trees. The Assistant Arborists will be assigned oversight and coordination responsibilities throughout the City, marking locations for tree planting, assigning tree species for planting, entering utility location markings requests, communicating with property owners, assessing tree pruning, and validating the accuracy of inventory data collection. These positions will also help with the general administration of the USFS grant, including grant reporting, data collection, and other duties as assigned. Recommendations will be brought forward in a future budget process to allocate the remaining grant funds. (Ongoing costs: $0)

13. Traffic Capital Vacant Positions Elimination	**(2.00)**	**(380,179)**	**0**

Transportation and Aviation Services CSA
Traffic Maintenance Core Service
Traffic Signal Maintenance Program
Strategic Support – Transportation & Aviation Core Service
Transportation Information Technology Program

This action eliminates a vacant 1.0 Electrician and 1.0 Geographic Information Systems Specialist position as part of an evaluation of the Department's vacant positions, considering vacancy status and recruitment history, operational priority, and capital project funding. Impacts to the current service delivery are expected to be minimal as these positions have been vacant for an extended period. Although their elimination reduces future capacity, the Department will reevaluate staffing levels as needs change. This action will result in savings of $170,158 in the Building and Structure Construction Tax Fund and $210,021 in the State Gas Tax Pavement Maintenance Fund. (Ongoing savings: $388,493)

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2026-2027 Proposed Budget Changes	Positions	All Funds ($)	General Fund ($)
14. Tree and Sidewalk Program Staffing	**(1.00)**	**(123,855)**	**(123,855)**

Transportation and Aviation Services CSA
Street Landscape Maintenance Core Service
Streetscape Services Program

This action eliminates 1.0 Office Specialist position from the General Fund whose primary duty is to support the Department's Tree and Sidewalk Program. The position is supervised by a Senior Office Specialist. The Office Specialist is responsible for processing forms related to the City's sidewalk and tree inspections program as well as providing administrative support for the Sidewalk Fee and Tree Administration Fee programs. To ensure minimal decline in the timeliness of responses and administrative processing for the City's Tree and Sidewalk customers, the existing Senior Office Specialist will continue to perform the most critical duties while the Department spreads the program's workload across the Division. Notably, this action also shifts 0.25 Senior Office Specialist position into the Sidewalk Fee and Tree Administration Fee programs in the General Fund. (Ongoing savings: $123,853)

15. Traffic Safety Data Collection Staffing and Funding Shift	**(1.00)**	**(110,722)**	**(118,410)**

Transportation and Aviation Services CSA
Transportation Safety and Operations Core Service
Traffic Safety Program

This action shifts 1.0 Engineering Technician position from the General Fund into the Construction Excise Tax Fund and eliminates 1.0 vacant Office Specialist position from the Construction Excise Tax Fund. The Engineering Technician will continue to provide flexible support across the Department's Traffic Capital Improvement Program, such as collecting and analyzing traffic safety data aligned with the City's Vision Zero and completing street projects. This position will continue to perform field data collection and will leverage technology systems to create visualizations and project analysis. The elimination of the Office Specialist will require the team to redistribute Vision Zero data entry from San José Police Department (SJPD) reports since this data is not yet available digitally. The Transportation Department and SJPD expect the transition of the data collection and reporting into a digital format by the end of Spring 2027. (Ongoing savings: $112,838)

16. Virtual Machine Migration to Cloud		**(19,500)**	**(19,500)**

Transportation and Aviation Services CSA
Strategic Support – Transportation & Aviation Core Service
Transportation Information Technology – Transportation and Aviation Program

This action decreases non-personal/equipment funding in the General Fund by $19,500. During the development of the 2025-2026 Base Budget, the Department identified resources to shift its virtual machine environment from on-premises to a cloud-based service. Since its adoption, the digital platform has provided a variety of efficiencies and will allow the Department to retire ongoing existing software and costs associated with physical server warranties, resulting in a net decrease to software and hardware costs. The Department expects that full deployment of the cloud-based tools will be fully implemented at the start of 2026-2027. (Ongoing savings: $19,500)

2026-2027 Proposed Budget Changes Total	**5.50**	**1,385,240**	**(231,402)**

Transportation Department

Performance Summary

Four Key Budget Performance Measure Measurement Areas			
	★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	**Customer Satisfaction** - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	**Reliability and Responsiveness** - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	**Cost Effectiveness** - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Parking Services

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	Parking System revenue to operating cost ratio	1.26	1.25	1.45	1.45
	*PM 2*	% of meter repair service requests completed in 1 day	98%	100%	100%	100%
	*PM 3*	% of citation appeal requests completed in 14 days	78%	80%	90%	90%
	*PM 4*	% of reported abandoned or stored vehicles in voluntary compliance by staff's second visit	81%	80%	80%	80%
★★★	*PM 5*	% of customers rating services good or better based upon satisfaction, appearances, comfort (4 or better on a 1-5 scale)	75%	85%	85%	85%

Transportation Department

Performance Summary

Parking Services

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of parking customers served	1,305,995	1,300,000	1,300,000	1,300,000
AWH 2	# of parking meter service activities completed	23,679	20,000	20,000	20,000
AWH 3	# of parking citations issued	217,720	215,000	215,000	225,000
AWH 4	# of parking citations appealed/adjudicated	6,882	7,000	7,000	7,000

Data Sources: Parking Services

Number	Data Source
PM 1	General Purpose Parking Fund Source and Use Statement
PM 2	# of citations contested requiring meter testing completed within 1 day of notice Excel file
PM 3	Turbo Data report of appeal requests and timing
PM 4	SJ311 data
PM 5	Customer manual survey
AWH 1	PARCS report of visitor transactions + monthly permit customers
AWH 2	Meter Repair History tracking spreadsheet
AWH 3	Turbo Data report of citation issuance
AWH 4	Turbo Data report of citations appealed/adjudicated

Transportation Department

Performance Summary

Pavement Maintenance

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of corrective pavement repairs completed within established time guidelines:				
	- Priority: Completed within 2 days	100%	100%	100%	100%
	- Non-Priority: Completed within 30 days	94%	90%	90%	90%
 *PM 2*	Ratio of the Weighted Average Pavement Condition Index (WAPCI) of Local Streets in Equity Priority Communities (EPC) over the WAPCI of Local Streets in Non-EPC.[1]	1.01	1.03	1.02	1.01
 *PM 3*	Average sealing maintenance cost per mile of street (includes preparation work).[2]	$310,975	$382,455	$215,194[3]	$218,141

1 Metric used to compare the pavement condition of EPC streets to non-EPC streets. A value greater than 1 means that the EPC streets are, on average, in better condition than non-EPC streets. A value less than 1 means that the EPC streets are, on average, in worse condition than non-EPC streets. A value equal to 1 means that, on average, all streets have similar pavement conditions.

2 Estimate based on total construction costs including project planning and delivery, design, and construction contract costs for a sealing project. The total cost is divided by the total miles sealed to get an average maintenance cost per mile.

3 Estimate is based on completed miles only (winter suspension miles are currently being completed). The lower estimated value is mainly due to the Local Streets program receiving unusually low bid prices. In addition, the previous 2025-2026 Target value included a high projected $/mile amount that incorrectly included the cost of curb ramp construction along paved streets.

Transportation Department

Performance Summary

Pavement Maintenance

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Miles of streets receiving surface seal application[1]	61	132	89	106
AWH 2	Miles of street resurfacing completed[1]	147	100	131	96
AWH 3	# of pothole repairs completed	2,501	1,000	2,246	2,000
AWH 4	Square yards of large pavement repairs completed	66,403	25,000	6,146[2]	8,000

1 The number of miles sealed or resurfaced varies annually based on need and optimum use of available funds. 2026-2027 Forecast includes projects that are being deferred from 2025-2026.

2 The Pro's Program was a stop gap measure to provide temporary patches to prolong street areas until a larger rehabilitation could be done. Through delivery of resurfacing and sealing projects, there are fewer areas where this treatment may be needed so the program was discontinued. Teams are still available to implement temporary patches as needed.

Data Sources: Pavement Maintenance

Number	Data Source
PM 1	Pavement Maintenance Performance Measure Excel
PM 2	EPCvsNON-EPC RATIOS_ESTIMATE Excel File
PM 3	Pavement Maintenance Performance Measure Excel
AWH 1	Pavement Maintenance Performance Measure Excel
AWH 2	Pavement Maintenance Performance Measure Excel
AWH 3	Pavement Maintenance Performance Measure Excel
AWH 4	Pavement Maintenance Performance Measure Excel

Transportation Department

Performance Summary

Sanitary Sewer Maintenance

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of reported sanitary sewer problems responded to within 60 minutes	75%	70%	75%	75%
	*PM 2*	% of in-house repairs completed within established time guidelines: - Priority A: Service completely severed Full service restored – 24 hours; final repairs – 5 days	88%	90%	95%	90%
		- Priority B: Service exists at a limited capacity Final repair – 20 days	94%	90%	95%	90%
		- Priority C: Future service impact identified Corrective actions – 90 days(existing)	29%	35%	36%	35%
★★★	*PM 3*	% of customers rating services good or better based upon timeliness and effectiveness (rating of 4 or greater on a 1 – 5 scale)	100%	100%	100%	100%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Miles of sanitary sewer lines cleaned	834	1,000	850	1,000
AWH 2	Miles of sanitary sewer lines inspected by video to support maintenance and repair	88	80	76	80
AWH 3	# of reported sanitary sewer problems	3,550	4,000	3,000	4,000
AWH 4	# of sewer repairs completed	942	700	850	750
AWH 5	# of sanitary sewer overflows	33	40	35	36

Transportation Department

Performance Summary

Sanitary Sewer Maintenance

Data Sources: Sanitary Sewer Maintenance

Number	Data Source
PM 1	DOT Unity - Sewer Service Response Timeliness Report
PM 2	DOT Unity - Sewer Repair Reports
PM 3	Postcard Survey
AWH 1	DOT Unity - SANI_SEWER_MaintenanceProduction_MilesCleaned Report
AWH 2	DOT Unity - SANI_SEWER_MaintenanceProduction_MilesVideoed Report
AWH 3	DOT Unity - SEWER_ServiceResponseTimeliness Report
AWH 4	DOT Unity - Sewer Repair Reports
AWH 5	CIWQS Database

Performance Summary

Storm Sewer Maintenance

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
★★★	*PM 1*	% of swept curb miles rated by City as good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale)	53%	65%	45%	65%
	PM 2	% of high priority storm sewer service requests/repairs addressed within 4 hours	77%	90%	60%[1]	80%[1]
★★★	*PM 3*	% of customers rating street sweeping services as good or better based upon effectiveness and satisfaction with street appearance (4 or greater on a 1 – 5 scale	59%	55%	60%	55%

[1] Due to a combination of technical challenges with the City's SJ311 reporting features and heavy rainfall, the City's storm sewer service team response time was impacted in 2025-2026. Meaningful changes are being implemented to help ensure that the storm sewer service team meet its targeted response times in future years.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of storm sewer inlets[1]	35,732	35,732	35,768	35,900
AWH 2	# of storm sewer inlet stoppages identified and cleared	602	1,000	650	1,000
AWH 3	# of curb miles swept	60,849	67,000	60,000	64,250
AWH 4	Thousands of tons of sweeping debris collected	5.1	6.0	5.0	6.0

[1] Mileage and segment numbers are managed by the Public Works Department and may vary based on when reports are prepared.

Data Sources: Storm Sewer Maintenance

Number	Data Source
PM 1	DOT Unity - All Sweep Percent Curb Miles Rated 4+ Report
PM 2	DOT Unity - FCB1 Response Time Report
PM 3	San José Quarterly Focus Survey
AWH 1	Enterprise GIS
AWH 2	DOT Unity - Sewers - Service Response Timeliness (Storm) Report
AWH 3	DOT Unity - (Sweeping Curb Miles Swept (CBD ACB NBD) + Hauler Data from ESD Report
AWH 4	DOT Unity - (Sweeping Curb Miles Swept (CBD ACB NBD) + Hauler Data from ESD Report

Transportation Department

Performance Summary

Street Landscape Maintenance

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of General Fund maintained street landscapes in good condition	77%	90%	80%	85%
	*PM 2*	% of tree emergency requests responded to within 24 Hours	100%	100%	100%	100%
★★★	*PM 3*	% of customers rating sidewalk services good or better (4 or better on a 1 – 5 scale)	73%	80%	70%	75%
★★★	*PM 4*	% of customers rating tree services good or better (4 or better on a 1 – 5 scale)[1]	N/A[1]	80%	N/A[1]	80%

1 Data collection has not started, but survey is in development to begin in 2026-2027.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	Acres of General Fund maintained street landscapes	284	290	284	284
AWH 2	# of street tree:				
	- Emergency responses	901	1,000	700	1,000
	- Pruning permits issued	3,009	2,000	1,161	1,500
	- Removal permits issued	201	250	192	250
	- City-planted trees	2,256	1,500	1,800	2,000
	- Inspections completed	14,021	12,000	10,000	12,000
AWH 3	# of sidewalk repairs completed	6,212	6,000	6,000	6,200
AWH 4	Acres of unimproved rights-of-way that are rated as fire safe by June 30th	225	339[1]	178[2]	178[3]

1 2025-2026 Forecast was overestimated as each parcel is intended to be serviced once, not 1.5 times as erroneously calculated. Actual Target should have been 237.

2 Reflects the estimated inventory that can be completed with existing funding.

3 The Department maintains 237 acres of unimproved rights-of-way. However, due to ongoing funding constraints and cost escalation, the anticipated completion is 178 acres or 75%. The Department will revisit the budget as part of the development of the 2027-2028 Base Operating Budget.

Street Landscape Maintenance

Data Sources: Street Landscape Maintenance

Number	Data Source
PM 1	DOT Unity - Landscape Inspection Report
PM 2	DOT Unity - TWIG
PM 3	DOT Unity - TWIG & Bit.Ly QR Survey
PM 4	DOT Unity - TWIG
AWH 1	DOT Unity - Landscape Inspection Report
AWH 2	DOT Unity - TWIG
AWH 3	DOT Unity - TWIG
AWH 4	DOT Unity - Weed Abatement Report

Transportation Department

Performance Summary

Traffic Maintenance

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of traffic signal preventative maintenance activities completed within established guidelines	30%	33%	30%	33%
PM 2	% of traffic and street name signs meeting visibility and operational guidelines	66%	75%	63%	70%
PM 3	% of traffic roadway markings meeting visibility and operational guidelines	81%	75%	78%	75%
PM 4	% of traffic signal malfunctions responded to within 60 minutes	72%	45%	72%	72%
PM 5	% of reported streetlight malfunctions repaired within 16 days[1]	29%	35%	30%	35%

[1] Copper wire theft continues to be a significant issue which greatly impacts DOT's ability to address outages. DOT is prioritizing ongoing resources in the Traffic Capital Program to assist with addressing the growing backlog of streetlight outages.

Transportation Department

Performance Summary

Traffic Maintenance

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of traffic signal: - Repair requests completed - Preventive maintenance activities completed	 2,291 879	 2,000 950	 2,000 879	 2,000 950
AWH 2	# of traffic and street name sign: - Repair/replacement requests completed - Preventively maintained	 1,756 2074	 1,400 2,400	 2,034 3,405	 1,400 2,400
AWH 3	# of roadway marking: - Maintenance requests completed - Preventively maintained (sq.ft)	 289 510,613	 300 750,000	 250 500,000	 300 500,000
AWH 4	# of streetlight repair requests completed	6,279	5,000	5,000	5,000

Data Sources: Traffic Maintenance

Number	Data Source
PM 1	DOT Unity - CSR timeliness Report
PM 2	DOT Unity - Signs Inventory Report
PM 3	DOT Unity - Markings Curbs, Legends, Striping Report
PM 4	DOT Unity - CSR timeliness Report
PM 5	DOT Unity - Streetlight Report
AWH 1	DOT Unity - CSR timeliness & CSR MMU (conflict monitor) Reports
AWH 2	DOT Unity - Signs Inventory Report
AWH 3	DOT Unity - Markings Curbs, Legends, Striping Report
AWH 4	DOT Unity - Streetlight Report

Transportation Department

Performance Summary

Transportation Planning and Project Delivery

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
 *PM 1*	% of households that are located within 1/4 mile of publicly accessible electric vehicle charging station	34%	36%	43%[1]	45%

[1] 2025 census data is not yet available. Therefore, the most recent available data, the 2024 5-year American Community Survey estimate, was used.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of regional projects underway	15	16	18	18
AWH 2	# of planning projects and programs underway	64	54	69	54
AWH 3	# of miles of new/improved complete streets	41	27	31	31
AWH 4	# of transportation capital improvement projects underway	82	87	80	85
AWH 5	# of new development projects reviewed by phase:				
	- Entitlements	401	345	330[1]	300
	- Improvement plans	205	158	200[1]	180
	- Transportation analyses	83	61	48[1]	35

[1] Complexity due to size, CEQA-VMT implications, and/or desired shortened approval timelines for particular new development projects requires additional review time and coordination requirements.

Data Sources: Transportation Planning and Project Delivery

Number	Data Source
PM 1	Excel Log/GIS Enterprise Layers
AWH 1	Regional Backup Excel Log
AWH 2	Planning, Options, & Policy Excel Log
AWH 3	Pavement Maintenance & Local Projects Microsoft Lists
AWH 4	Power BI - DOT Transportation Planning & Project Delivery
AWH 5	Development Review Excel Log

Transportation Department

Performance Summary

Transportation Safety and Operations

Performance Measures

			2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
	*PM 1*	% of traffic signals proactively re-timed along commute corridors to minimize wait times	1.6%[1]	10%	25%	10%[2]
	*PM 2*	% of signs and markings installed within 35 days from initial study request	54%	65%	50%	55%
★★★	*PM 3*	% of customers rating Traffic Signal and Traffic Safety services as good or better based upon timeliness, added safety, and satisfaction with solution	91%	85%	85%	85%

[1] 2024-2025 actual is low compared to future targets/estimates as methodology was revised in 2025-2026 to include "Transit timing".

[2] 2026-2027 Forecast significantly lower than 2025-2026 Estimate due to completion of large-scale retiming project (TSP) in 2025-2026. 2026-2027 Forecast includes lower awarded/anticipated grant-funded retiming projects.

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of pedestrian safety enhancement/traffic calming projects	58	40	40	40
AWH 2	# of traffic signal timing projects completed	655	600	600	600
AWH 3	# of traffic studies completed and implemented	1,363	1,200	1,350	1,300
AWH 4	# of people receiving traffic safety education:				
	- Children ages 5 to 17	37,022	38,000	38,000	38,000
	- Adults	9,016	7,000	7,000	7,000
AWH 5	# of special events managed for traffic control	560	500	515	515

Data Sources: Transportation Safety and Operations

Number	Data Source
PM 1	Transportation Operations Excel Log
PM 2	DOT Unity - TS Projects in 35 Report
PM 3	Resident Survey - Survey Monkey
AWH 1	DOT Unity - PSE/QB Completed Projects Report
AWH 2	DOT Unity - Signal Assignment Report
AWH 3	DOT Unity - Traffic Studies Report
AWH 4	WnR & OTS Data Tracking Excel Logs
AWH 5	Event Task List

Transportation Department

Performance Summary

Strategic Support

Performance Measures

		2024-2025 Actual	2025-2026 Target	2025-2026 Estimated	2026-2027 Target
PM 1	% of invoices paid within 30 days	60%	85%	70%	75%
★★★ *PM 2*	% of customers whose service quality expectations are met or exceeded (4 or better on a 1 – 5 scale)	93%	95%	95%	95%

Activity and Workload Highlights

		2024-2025 Actual	2025-2026 Forecast	2025-2026 Estimated	2026-2027 Forecast
AWH 1	# of financial/budget transactions	33,715	29,000	32,600	32,000
AWH 2	# of employees hired	148	150	100	90
AWH 3	# of responses to information technology issues	1,802	2,500	1,738	2,200
AWH 4	# of resident calls answered/redirected by DOT Dispatch team	22,466	22,000	21,000	22,000
AWH 5	$ of Transportation grant reimbursements (in millions)	$136.4M	$93.2M	$93.2M	$97.7M

Data Sources: Strategic Support

Number	Data Source
PM 1	Invoices Paid within 30 days Excel
PM 2	DOT Admin Survey
AWH 1	Fiscal Budget Transactions Summary Excel
AWH 2	DOT Hiring Stats
AWH 3	Zendesk Tickets
AWH 4	Zoom Report
AWH 5	RevQ Report

Transportation Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	11.00	11.00	-
Arborist	1.00	1.00	-
Assistant Arborist	4.00	6.00	2.00
Assistant Director	1.00	1.00	-
Associate Construction Inspector	20.00	19.00	(1.00)
Associate Engineer	37.00	37.00	-
Associate Engineering Technician	5.00	5.00	-
Associate Transportation Specialist	11.00	11.00	-
Communications Technician	1.00	1.00	-
Concrete Finisher	3.00	3.00	-
Construction Manager	1.00	1.00	-
Department Information Technology Manager	1.00	1.00	-
Deputy Director	3.00	3.00	-
Director of Transportation	1.00	1.00	-
Division Manager	9.00	9.00	-
Electrical Maintenance Superintendent	1.00	1.00	-
Electrician I/II	14.00	13.00	(1.00)
Electrician Supervisor	3.00	3.00	-
Engineer I/II	37.00	38.00	1.00
Engineering Technician I/II	5.00	5.00	-
Engineering Trainee PT	1.50	1.50	-
Geographic Information Systems Specialist II	3.00	2.00	(1.00)
Heavy Equipment Operator	10.00	10.00	-
Information Systems Analyst	4.00	4.00	-
Maintenance Assistant/Maintenance Worker I	65.00	65.00	-
Maintenance Assistant PT/Maintenance Worker I PT	1.50	1.50	-
Maintenance Superintendent	4.00	4.00	-
Maintenance Supervisor	12.00	12.00	-
Maintenance Worker II	82.00	82.00	-
Network Engineer	2.00	2.00	-
Network Technician I/II/III	2.00	2.00	-
Office Specialist I/II	2.00	-	(2.00)
Operations Manager	1.00	1.00	-
Parking and Traffic Control Officer	52.00	56.00	4.00
Parking and Traffic Control Officer PT	3.50	4.00	0.50
Parking and Traffic Control Supervisor	3.00	3.00	-
Parking/Ground Transportation Administrator	4.00	4.00	-
Parking Manager I/II	3.00	3.00	-
Principal Account Clerk	1.00	1.00	-
Principal Construction Inspector	3.00	3.00	-

Transportation Department

Department Position Detail

Position	2025-2026 Adopted	2026-2027 Proposed	Change
Principal Engineer/Architect	1.00	2.00	1.00
Program Manager	3.00	3.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative I/II	1.00	1.00	-
Senior Account Clerk	3.00	3.00	-
Senior Analyst	6.00	6.00	-
Senior Construction Inspector	9.00	9.00	-
Senior Electrician	2.00	2.00	-
Senior Engineer	16.00	16.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Geographic Information Systems Specialist	1.00	1.00	-
Senior Heavy Equipment Operator	2.00	2.00	-
Senior Maintenance Worker	24.00	24.00	-
Senior Office Specialist	4.00	4.00	-
Senior Parking and Traffic Control Officer	6.00	6.00	-
Senior Transportation Specialist	9.00	8.00	(1.00)
Staff Specialist	6.00	7.00	1.00
Structure/Landscape Designer I/II	1.00	1.00	-
Supervising Applications Analyst	1.00	1.00	-
Systems Application Programmer II	2.00	2.00	-
Transportation Specialist	14.00	14.00	-
Urban Forestry Inspector I/II	3.00	4.00	1.00
Total Positions	**548.50**	**553.00**	**4.50**

City-Wide Expenses

MISSION

To provide for City-Wide expenses that relate to more than one department or are not directly associated with ongoing departmental operations

CITY SERVICE AREAS

Community and Economic Development

Environmental and Utility Services

Neighborhood Services

Public Safety

Transportation and Aviation Services

Strategic Support

Strategic Support – Council Appointees

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City-Wide Expenses

City Service Area Summary

	2024-2025 Actuals 1	2025-2026 Adopted 2	2026-2027 Forecast 3	2026-2027 Proposed 4	% Change 2 to 4
Dollars by City Service Area					
Community and Economic Development	$13,180,455	$18,993,644	$10,596,317	$11,046,031	(41.8%)
Environmental and Utility Services	2,243,816	2,810,682	1,240,000	1,240,000	(55.9%)
Neighborhood Services	43,222,376	23,906,831	31,806,988	30,509,160	27.6%
Public Safety	34,982,525	40,393,513	24,594,500	24,594,500	(39.1%)
Transportation and Aviation Services	5,037,916	7,393,292	4,462,200	6,224,886	(15.8%)
Strategic Support	14,360,333	19,564,593	16,536,320	16,720,320	(14.5%)
Strategic Support - Council Appointees	30,376,296	21,090,273	11,264,100	15,164,100	(28.1%)
Total	**$143,403,717**	**$134,152,828**	**$100,500,425**	**$105,498,997**	**(21.4%)**
Dollars by Category					
City-Wide Expenses	$143,403,717	$134,152,828	$100,500,425	$105,498,997	(21.4%)
Total	**$143,403,717**	**$134,152,828**	**$100,500,425**	**$105,498,997**	**(21.4%)**
Dollars by Fund					
General Fund	$143,403,717	$134,152,828	$100,500,425	$105,498,997	(21.4%)
Total	**$143,403,717**	**$134,152,828**	**$100,500,425**	**$105,498,997**	**(21.4%)**
Authorized Positions	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Prior Year Budget (2025-2026):	**0.00**	**134,152,828**
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: 2026 Sporting Events Preparation		(99,000)
• Rebudget: 4th of July Celebration		(485,000)
• Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations		(150,000)
• Rebudget: AI + Manufacturing Incentive		(186,000)
• Rebudget: Alum Rock Village Placemaking		(53,000)
• Rebudget: Berryessa Flea Market Vendor Business Transition Fund		(7,000)
• Rebudget: Blight Busters		(93,733)
• Rebudget: Cannabis Equity Assistance Program		(260,000)
• Rebudget: Cannabis Equity Program		(447,000)
• Rebudget: CHIPS Act Facilitation		(200,000)
• Rebudget: City-wide Retail Attraction Program		(17,000)
• Rebudget: Community Facilities District No. 18 Feasibility Project		(75,000)
• Rebudget: CreaTV Hybrid Event Space		(25,000)
• Rebudget: Diridon Station Area Development Planning		(697,000)
• Rebudget: Donor Wall		(90,000)
• Rebudget: Downtown Pedestrian Quality of Life		(300,000)
• Rebudget: Google Community Benefits - Community Stabilization		(749,187)
• Rebudget: Google Community Benefits - Economic Development		(1,283,000)
• Rebudget: Google Community Benefits - Stabilization and Opportunity Pathways		(200,000)
• Rebudget: Historic Preservation		(104,400)
• Rebudget: Japantown Creative Center for the Arts Transportation Improvements		(150,000)
• Rebudget: Joint Venture Silicon Valley		(25,000)
• Rebudget: Neighborhood Business Districts		(150,000)
• Rebudget: Paseo de San Antonio Wayfinding		(25,000)
• Rebudget: Pocket Park in Tropicana-Lanai Neighborhood		(19,000)
• Rebudget: San José State University/City Downtown Co-Branding Pilot Campaign		(49,000)
• Rebudget: Santa Clara County Public Art Services		(79,126)
• Rebudget: Small Business Recovery - Small Business + Manufacturing Recovery Initiative		(90,000)
• Rebudget: Small Business Recovery - Small Business Displacement Index Study		(60,000)
• Rebudget: Small Business Recovery - Small Business Technical Assistance Revamp		(117,000)
• Rebudget: Small Business Recovery - Storefront Activation Grants		(60,000)
• Rebudget: Small Business Recovery - Supplemental Business Development Communications		(47,000)

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Community and Economic Development CSA		
• Rebudget: Small Business Recovery - Supplemental Economic Development Association Capacity Building		(225,000)
• Rebudget: Small Business Recovery - Virtual Accelerator Program for New Businesses		(175,000)
• Rebudget: Storefront Activation Program - Alum Rock		(75,000)
• Rebudget: VTA Eastridge to BART Regional Connector Public Art		(48,000)
• 2026 Sporting Events		(1,500,000)
• 4th of July Celebration		87,000
• 4th of July Celebration - Council District #10		(100,000)
• 4th of July Celebration - Lake Cunningham Park		(100,000)
• San José Downtown Association		(200,000)
• Small Business ADA Legal Support		(120,000)
• Small Business Recovery - Virtual Accelerator Program for New Businesses		175,000
• Supplemental Arts + Cultural Funding		(100,000)
Subtotal:	**0.00**	**(8,773,446)**
Environmental and Utility Services CSA		
• Rebudget: Burrowing Owl Habitat Management		(128,954)
• Rebudget: Diridon Station Area Development Planning - Electric Microgrid		(492,000)
• Rebudget: Environmental Stewardship Program		(196,728)
• Rebudget: Green Stormwater Fee Analysis		(172,000)
• Rebudget: Stormwater Fee Study		(240,000)
• Extreme Heat and Community Resilience Program		(341,000)
Subtotal:	**0.00**	**(1,570,682)**
Neighborhood Services CSA		
• Rebudget: CaliforniansForAll Youth Workforce Program – Climate Change Pathway		(366,968)
• Rebudget: CaliforniansForAll Youth Workforce Program – Learning Loss Mitigation Pathway		(27,194)
• Rebudget: Child and Youth Services - Child and Youth Services Master Plan		(294,000)
• Rebudget: Digital Equity - Community WiFi		(439,610)
• Rebudget: Digital Equity - Digital Equity Communications Outreach + Education		(358,171)
• Rebudget: Inflation Reduction Act - Urban Forestry Grant (PRNS)		(280,245)
• Rebudget: Interim Housing Construction and Operation		(900,000)
• Rebudget: Library Grants		(3,000)
• Rebudget: Outdoor Equity Grant		(200,000)
• Rebudget: SJ Access Community WiFi Improvements		(368,146)
• Rebudget: SJPL Foundation Grants		(54,021)
• Californians4All Phase 4 Climate Change Pathway - PRNS		(1,939,515)
• Californians4All Phase 4 Learning Pathway - Library		(1,581,634)

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Neighborhood Services CSA		
• CaliforniansForAll Youth Workforce Program – Climate Change Pathway		(1,358,785)
• Danny the Dragon Renovation Project		(200,000)
• Gateway Maintenance		(250,000)
• Homeless Rapid Rehousing		4,000,000
• Library Grants		(333,582)
• Neighborhood Blight Enforcement		(250,000)
• Sakauye Farmhouse Relocation		(25,000)
• Santa Clara County Probation Teen Grant 2025-2026		(100,000)
• Senior Nutrition Program		(2,030,547)
• SJPL Foundation Grants		(118,422)
• Summer Youth Nutrition Program		(120,533)
• Youth Commission		(8,000)
Subtotal:	**0.00**	**(7,607,373)**
Public Safety CSA		
• Rebudget: 2023-2024 Board of State and Community Corrections Officer Wellness and Mental Health		(451,581)
• Rebudget: 2023-2024 Board of State and Community Corrections Organized Retail Theft Grant Program		(1,929,109)
• Rebudget: 2024 National Sexual Assault Kit Initiative		(702,138)
• Rebudget: Byrne Discretionary Community Project Grant 2022-2023		(471,846)
• Rebudget: Camera Pilot Program		(15,000)
• Rebudget: Car Break-in Prevention Program		(101,656)
• Rebudget: Collaborative Approaches Toward Preventing and Addressing Hate Grant		(149,154)
• Rebudget: Crimestoppers		(30,336)
• Rebudget: Department of Alcohol Beverage Control (ABC) Grant 2025		(15,656)
• Rebudget: Fire Station 26		(10,000)
• Rebudget: Gun Safety with the California Department of Justice		(142,763)
• Rebudget: Hazard Mitigation Grant Program		(464,729)
• Rebudget: Hazardous Materials Consent Judgement		(121,848)
• Rebudget: Internet Crimes Against Children State Grant 2024-2025		(429,968)
• Rebudget: Internet Crimes Against Children Task Force Invited Award - Police 2023		(212,484)
• Rebudget: Law Enforcement Mental Health and Wellness Act (LEMHWA) Project - 2022		(44,974)
• Rebudget: National Sexual Assault Kit Initiative		(832,199)
• Rebudget: Northern California Regional Intelligence Center - Police 2024		(94,087)
• Rebudget: Police Reforms Workplan		(34,000)
• Rebudget: Selective Traffic Enforcement Program 2024-2025		(180,610)
• Rebudget: State Homeland Security Grant Program - Fire 2023		(17,796)
• Rebudget: Urban Areas Security Initiative Grant - Fire 2023		(1,073,379)
• Rebudget: Urban Areas Security Initiative Grant - Fire 2024		(619,627)

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Public Safety CSA		
• Rebudget: Urban Areas Security Initiative Grant - Police 2024		(391,400)
• 2023-2024 Board of State and Community Corrections Organized Retail Theft Grant Program		(2,885,054)
• Hazard Mitigation Grant Program		(35,602)
• Internet Crimes Against Children State Grant 2024-2025		(190,217)
• Mobile Data Computer Replacements		(5,184,000)
• Northern California Regional Intelligence Center - Police 2024		(10,000)
• Northern California Regional Intelligence Center Staffing		(227,800)
• Urban Areas Security Initiative Grant - Police 2024		(107,000)
Subtotal:	**0.00**	**(17,176,013)**
Transportation and Aviation Services CSA		
• Rebudget: Contractual Street Tree Planting		(133,900)
• Rebudget: Electric Vehicle Charging Stations (LCFS Credits)		(36,452)
• Rebudget: Inflation Reduction Act - Urban Forestry Grant (Transportation)		(526,500)
• Rebudget: Tree Mitigation		(2,220,000)
Subtotal:	**0.00**	**(2,916,852)**
Strategic Support CSA		
• Rebudget: Business Tax System Replacement		(1,220,000)
• Rebudget: CaliforniansForAll Youth Workforce Program - Fiscal Administration		(52,786)
• Rebudget: City of San José Disparity Study		(34,500)
• Rebudget: Employee Resource Group		(16,000)
• Rebudget: ERP System Feasibility Assessment		(250,000)
• Rebudget: Financial Management System (FMS) Upgrade		(16,285)
• Rebudget: Recovery Foundation and Drive to Digital - OneCity Workplace		(17,000)
• Rebudget: Toyota Mobility Foundation Grant		(113,000)
• Californians4All Phase 4 Admin - Finance		(40,100)
• CaliforniansForAll Youth Workforce Program - Fiscal Administration		31,786
• ERP System Feasibility Assessment		250,000
• ESUHSD Community WiFi Network Maintenance		(725,463)
• Review and Inspection of Billboards and Other Facilities		(403,000)
Subtotal:	**0.00**	**(2,606,348)**
Strategic Support - Council Appointees CSA		
• Rebudget: City Council Participatory Budgeting - Council District #01		(37,541)
• Rebudget: City Council District 3 Participatory Budgeting Pilot		(174,942)
• Rebudget: City Council Participatory Budgeting - Council District #05		(91,178)
• Rebudget: City Manager Special Projects		(175,000)
• Rebudget: Customer Service Vision and Standards		(3,300,000)
• Rebudget: Elections And Ballot Measures		(4,590,000)
• Rebudget: False Claims Act Litigation Settlement		(259,000)

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
Strategic Support - Council Appointees CSA		
• Rebudget: General Liability Claims		(900,000)
• Rebudget: Homelessness Services and Solutions		(452,000)
• Rebudget: Labor / Employee Relations Consultant Funding		(30,000)
• Rebudget: Sharks Community Fund		(150,000)
• Community-Based Violence Solutions		(80,000)
• Together San Jose Phase Two		(550,000)
Subtotal:	**0.00**	**(10,789,661)**
One-time Prior Year Expenditures Subtotal:	**0.00**	**(51,440,375)**
Technical Adjustments to Costs of Ongoing Activities		
Community and Economic Development CSA		
• Arena Authority		8,600
• Business Incentive - Samsung		25,000
• Children's Discovery Museum		11,388
• Children's Discovery Museum Capital Maintenance		2,100
• Hammer Theater Center Operations and Maintenance		10,747
• SJ Historical Museum Subsidy		29,561
• Joint Venture Silicon Valley		24,494
• Mexican Heritage Plaza Maintenance and Operations		15,702
• Neighborhood Business Districts		50,000
• Property Leases		67,362
• San José Downtown Association		9,394
• San José Museum of Art Subsidy		18,814
• San José Works - Youth Jobs Initiative		41,943
• Sports Authority		14,106
• The Tech Interactive		46,908
Subtotal:	**0.00**	**376,119**
Neighborhood Services CSA		
• Digital Inclusion Program		10,000
• Interim Housing Construction and Operation		15,000,000
• San José BEST and Safe Summer Initiative Programs		215,559
• Senior Nutrition Program		265,731
• SJPL Foundation Grants		18,240
• Workers' Compensation Claims - PRNS		(2,000)
Subtotal:	**0.00**	**15,507,530**

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
Public Safety CSA		
• Parent Project - Santa Clara County		(66,000)
• Workers' Compensation Claims - Fire		1,110,000
• Workers' Compensation Claims - Police		333,000
Subtotal:	**0.00**	**1,377,000**
Transportation and Aviation Services CSA		
• Contractual Street Tree Planting		11,760
• Workers' Compensation Claims - Transportation		(26,000)
Subtotal:	**0.00**	**(14,240)**
Strategic Support CSA		
• Banking Services		(35,000)
• Certified Access Specialist Program - ADA Compliance		8,700
• Commercial Paper Program Fees		(7,000)
• Day of Service		25,000
• Energy Services Company (Esco) Debt Service		(78,000)
Technical Adjustments to Costs of Ongoing Activities		
Strategic Support CSA		
• General Liability Insurance		364,000
• Government Access - Capital Expenditures		(10,000)
• Police Officers' Professional Liability Insurance		12,375
• Property Tax Administration		(45,000)
• Public, Educational, and Government (PEG) Access Facilities - Capital		(30,000)
• Sick Leave Payments Upon Retirement		(500,000)
• Unfunded Projects		100,000
• Workers' Compensation Claims - Other Departments		93,000
• Worker's Compensation Excess Risk Insurance		(320,000)
Subtotal:	**0.00**	**(421,925)**
Strategic Support - Council Appointees CSA		
• City Dues/Membership		133,488
• Customer Service Vision and Standards		(175,000)
• General Liability Claims		1,000,000
• Grant Compliance Single Audit		5,000
Subtotal:	**0.00**	**963,488**
Technical Adjustments Subtotal:	**0.00**	**17,787,972**
2026-2027 Forecast Base Budget:	**0.00**	**100,500,425**

City-Wide Expenses

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Budget Proposals Recommended		
Community and Economic Development CSA		
1. Enhanced Infrastructure Financing District Assessment		100,000
2. San José Works - Youth Jobs Initiative		(200,286)
3. Sports Authority		250,000
4. Stitching Districts Initiative		250,000
5. Storefront Activation Grant Program		50,000
Community and Economic Development Subtotal:	**0.00**	**449,714**
Neighborhood Services CSA		
1. BeautifySJ Grants		50,000
2. BEST Grant Program		(97,828)
3. Interim Housing Construction and Operations		(1,250,000)
Neighborhood Services Subtotal:	**0.00**	**(1,297,828)**
Transportation and Aviation Services CSA		
1. Inflation Reduction Act - Urban Forestry Grant (Transportation)		1,762,686
Transportation and Aviation Services Subtotal:	**0.00**	**1,762,686**
Strategic Support CSA		
1. Charitable Donations Inspection and Permit Assistance		50,000
2. Financial Management System Upgrade		134,000
Strategic Support Subtotal:	**0.00**	**184,000**
Strategic Support - Council Appointees CSA		
1. Customer Experience Transformation		3,900,000
Strategic Support - Council Appointees Subtotal:	**0.00**	**3,900,000**
Total Budget Proposals Recommended	**0.00**	**4,998,572**
2026-2027 Proposed Budget Total	**0.00**	**105,498,997**

Budget Changes by City Service Area

2026-2027 Proposed Budget Changes	Positions	General Fund ($)

Community and Economic Development CSA

1. Enhanced Infrastructure Financing District Assessment **100,000**

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time funding of $100,000 for an Enhanced Infrastructure Financing District Assessment (EIFD) allocation to the City Manager's Office of Economic Development and Cultural Affairs to explore a policy mechanism that may help deliver on the goals of creating jobs and housing close to transit. The funds will provide for the assessment and implementation of an EIFD. A City Council Study Session on EIFD's is expected by September 2026 to explore how this mechanism can facilitate investment in jobs, housing, and economic revitalization in Downtown. (Ongoing costs: $0)

2. San José Works - Youth Jobs Initiative **(200,286)**

This action decreases ongoing funding of $200,286 from the San José Works – Youth Jobs Initiative allocation to the City Manager's Office of Economic Development and Cultural Affairs, resulting in a total decrease of funding from $1.4 million to $1.2 million. A vacant Staff Specialist position will be eliminated in the City Manager's Office of Economic Development and Cultural Affairs, with its responsibilities reassigned to existing staff. Additionally, non-personal/equipment funding, which supports subsidized wages, will decrease by $54,531. The San José Works – Youth Jobs Initiative program provides at-risk youth with employment services and life skills instruction, including leadership development, financial literacy, job counseling, job readiness training, and other supportive services such as transportation and clothing. Funding supports youth between the ages of 14 and 18 by placing them into subsidized employment opportunities. With this action, it is anticipated that the number of youths served will reduce from 325 to 295. The program's unsubsidized component, which places 475 young adults in employment opportunities with private employers, will continue unchanged. (Ongoing savings: $203,384)

3. Sports Authority **250,000**

This action adds one-time funding of $250,000 to the Sports Authority allocation to the City Manager's Office of Economic Development and Cultural Affairs for costs associated with hosting major sporting events in San José in 2026-2027. The Sports Authority has already secured the following major events: USA Table Tennis National Championships; CrossFit Games, Masters, Adaptive and World Championship; and Ironman Rock-n-Roll Races and Health Expo. There is also the opportunity to host a US Figure Skating event and the USA Gymnastics Presidents Cup. (Ongoing costs: $0)

4. Stitching Districts Initiative **250,000**

As directed by the Mayor's March Budget Message for Fiscal Year 2026–2027, as approved by the City Council, this action adds one-time funding of $250,000 for the Stitching Districts Initiative to the City Manager's Office of Economic Development and Cultural Affairs. While progress has been made connecting the SAP Center, Little Italy, and San Pedro Square along Sharks Way, additional resources are needed to complete these Downtown connectivity improvements. This funding will match up to $250,000 from the Downtown Property-Based Improvement District to complete the current phase of the Stitching Districts Initiative, expand connectivity to additional areas, and support stakeholder efforts to advance future phases that strengthen safety, activation, and private investment. (Ongoing costs: $0)

Budget Changes by City Service Area

2026-2027 Proposed Budget Changes	Positions	General Fund ($)

Community and Economic Development CSA

5. Storefront Activation Grant Program **50,000**

As directed by the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time funding of $50,000 to the Storefront Activation Grant Program allocation to the City Manager's Office of Economic Development and Cultural Affairs to partially address unmet demand. The Storefront Activation Grant Program helps entrepreneurs cover startup costs such as tenant improvements, equipment, and signage, and helps fill vacant properties. The program has been in place since 2016. There is currently $350,000 in ongoing funding for this program. (Ongoing costs: $0)

Subtotal Community and Economic Development CSA:	**0.00**	**449,714**

Neighborhood Services CSA

1. BeautifySJ Grants **50,000**

As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action adds one-time funding of $50,000 to the BeautifySJ Grants allocation to the Parks, Recreation and Neighborhood Services Department to increase to grant funding levels in 2026-2027, from $250,000 to $300,000. (Ongoing costs: $0)

2. BEST Grant Program **(97,828)**

This action decreases ongoing funding of $97,828 from the San José BEST and Safe Summer Initiative Programs (BEST) allocation to the Parks, Recreation and Neighborhood Services Department. This action includes a decrease of $141,611, which reflects the elimination of the Emergency Reserve in the San José Youth Empowerment Alliance (SJYEA) BEST Resource Allocation Plan, and an increase of $43,783 for the addition of 1.0 Community Coordinator position in exchange for the elimination of 1.0 Youth Outreach Worker position (vacant since May 2025) to support SJYEA's Safe Schools Campus Initiative (SSCI) program. The Emergency Reserve is typically used for response to violent incidents, for example, hosting impromptu late night activities for gang-impacted and gang-intentional individuals to reduce possible retaliation. With this elimination, should a need for funds in the future arise, the Department will coordinate with the City Manager's Office to ensure there are sufficient resources to address the emergency. The elimination of the vacant Youth Outreach Worker position and addition of the Community Coordinator position will enable the SSCI team to continue to offer crisis response to prevent and de-escalate incidents of violence on and around school campuses, teach conflict mediation, and provide youth with positive role models. The Community Coordinator position will manage the SSCI team that responds to incidents on middle school campuses and incidents at priority schools in the Central Division. Additionally, the Community Coordinator will assign and supervise daily tasks for the team, directly coordinate with schools to address and prevent issues of violence on school campuses, and manage the San José Works job program that connects youth to career pathways in high growth sectors, including Information Technology, Healthcare, and Construction. (Ongoing savings: $97,878)

Budget Changes by City Service Area

2026-2027 Proposed Budget Changes	Positions	General Fund ($)

Neighborhood Services CSA

3. Interim Housing Construction and Operations **(1,250,000)**

This action decreases the Interim Housing Construction and Operations allocation to the Housing Department by $1.25 million in 2026-2027 and $14.2 million ongoing, reflecting service delivery changes and cost sharing within the City's Interim Housing portfolio. As the City completes the last round of major homeless encampment abatements and clearing of the waterways, the Taylor Street navigation site – currently serving as a hub for homeless individuals to transition to other temporary housing options – can be decommissioned by January 2027, yielding savings of $1.25 million in the first year, and $2.6 million ongoing. The Housing Department is in the process of leveraging previously unallocated federal grant funds to acquire two of the five motels the City currently leases as part of its Moteling Program. Once those sites are acquired by July 2027, the City will no longer have to pay annual lease costs of $2.6 million beginning in 2027-2028. Finally, the County of Santa Clara is in discussion with the City to take over operations at two interim housing sites. Though negotiations are still underway, the parties expect the transition to occur no later than July 2027, yielding an annual operational savings to the City of $9.0 million. (Ongoing savings: $14.2 million)

Subtotal Neighborhood Services CSA:	**0.00**	**(1,297,828)**

Transportation and Aviation Services CSA

1. Inflation Reduction Act - Urban Forestry Grant (Transportation) **1,762,686**

This action increases funding one-time by $1.4 million for the Inflation Reduction Act – Urban Forestry Grant (Transportation) allocation to the Department of Transportation. In September 2023, the Department of Transportation was awarded $5.6 million in grant funds from the United States Forest Service (USFS). This allocation marks the third year of a five-year grant. Of the total grant award of $5.6 million, $3.7 million remains to be allocated for future years. These funds will continue to provide for an outside contractor to plant and maintain trees in historically disadvantaged communities in the City and the addition of 2.0 Assistant Arborist positions through June 30, 2028, in the Transportation Department. These funds will also cover the update of San José's street tree inventory, community outreach, pruning of 5,000 street trees, planting 2,800 trees, and performing after care for new trees. The Assistant Arborists will be assigned oversight and coordination responsibilities for district regions through the City, marking locations for tree planting, assigning tree species for planting, entering utility location markings requests, communicating with property owners, assessing tree pruning, and validating the accuracy of inventory data collection. These positions will also help with the general administration of the USFS grant, including grant reporting, data collection, and other duties as assigned. Recommendations will be brought forward at a later date to allocate the remaining grant funds. (Ongoing costs: $354,146)

Subtotal Transportation Aviation Services CSA:	**0.00**	**1,762,686**

Budget Changes by City Service Area

2026-2027 Proposed Budget Changes	Positions	General Fund ($)
Strategic Support CSA		
1. Charitable Donations Inspection and Permit Assistance		**50,000**
This action adds one-time funding of $50,000 to the Charitable Donations Inspections and Permit Assistance allocation to the Public Works Department. Generous members of the community occasionally cover the cost of minor renovation or beautification improvements to City facilities. However, these donations often are not sufficient to cover the cost of associated permitting and inspection services. This allocation provides a source of funding for permitting and inspection services related to City building improvements funded by charitable donations. (Ongoing costs: $0)		
2. Financial Management System Upgrade		**134,000**
This action adds one-time funding of $134,000 to the Financial Management System Upgrade allocation to the Finance Department for an upgrade of the Financial Management System (FMS). The current FMS version is entering a limited-support phase and this upgrade will ensures the system receives ongoing application security patches, financial reporting compliance updates, and application performance improvements. The cost is offset by a reduction to the Information Technology Sinking Fund Reserve. (Ongoing costs: $0)		
Subtotal Strategic Support CSA:	**0.00**	**184,000**

Budget Changes by City Service Area

2026-2027 Proposed Budget Changes	Positions	General Fund ($)

Strategic Support – Council Appointees CSA

1. Customer Experience Transformation **3,900,000**

This action adds one-time funding of $3.9 million to the Customer Experience (CX) Transformation allocation to the City Manager's Office for the continued implementation of this multi-year City Council-approved effort. The goal of the CX Transformation is to deliver services more reliably, reduce inefficiencies, and strengthen public trust. Currently, customers access 18 City services through San José 311 (SJ 311), while another 200+ services must be accessed through a variety of means across numerous departments – there is no centralized clearing house for all customer interactions with City services. The CX Transformation will: 1) facilitate the integration of SJ 311 onto a new, organization-wide Customer Relationship Management (CRM) system that provides a 360-degree view of customer concerns and service requests; 2) establish clear lines of communication and collaboration for customer service within and across departments; 3) develop clear roles and streamlined workflows for cross-departmental customer handoffs; and 4) institute regular performance monitoring and benchmarking to iteratively improve customer service outcomes. At the end of the project in 2027-2028, SJ 311 will serve as the City's single digital front door for customer service requests – incorporating a significant portion of the 200+ services into one access point – and the CRM will allow for the efficient dispatching of City services to address customer requests and provide clear and accountable follow-up.

To support project implementation and cross-departmental coordination, four limit-dated positions through June 30, 2028, will be added. In the City Manager's Office, this includes 1.0 Deputy Director, 1.0 Assistant to the City Manager, and 1.0 Senior Executive Analyst positions, and in the Information Technology Department, 1.0 Enterprise Supervising Technology Analyst position. Implementation of the CRM is also supported by specialized professional services and software licensing.

In 2026–2027, efforts will focus on establishing the foundation by migrating existing SJ 311 services onto the new CRM platform to enhance customer communications, developing key performance indicators, and streamlining business processes. In 2027–2028, the focus will shift to expanding CRM capabilities to include additional City services and departments to deliver a unified digital front door and a seamless citywide customer experience. The recommended infusion of $3.9 million, along with the $2.9 million balance of prior year investments, will enable full system implementation and stabilization by the end of 2027-2028. In 2028-2029, the City will sustain and optimize the CX Transformation through ongoing CRM integrations of the City's 200+ services, performance management and iterative improvement, knowledge transfer, to sustain the delivery of quality customer experiences across the organization. The ongoing cost of the CX Transformation will be informed by lessons learned through the two-year implementation period and brought forward as part of the 2028-2029 Proposed Budget development process. (Ongoing cost: $0)

Subtotal Strategic Support – Council Appointees CSA:	**0.00**	**3,900,000**

2026-2027 Proposed Budget Changes Total	**4,998,572**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Community and Economic Development				
City Manager - Office of Economic Development and Cultural Affairs				
2026 Sporting Events	0	1,500,000	0	0
2026 Sporting Events Preparation	518	99,000	0	0
4th of July Celebration	162,178	398,000	0	0
4th of July Celebration - Council District #10	0	100,000	0	0
4th of July Celebration - Lake Cunningham Park	0	100,000	0	0
AI + Manufacturing Incentive	63,699	186,000	0	0
Arena Authority	275,502	285,100	293,700	293,700
Arena Public Safety	62,708	0	0	0
Art and Mural Beautification	85,506	0	0	0
Berryessa Flea Market Vendor Business Transition Fund	149,493	7,000	0	0
Business Improvement District Creation	52,949	0	0	0
Business Incentive - Samsung	166,392	145,000	170,000	170,000
Cannabis Equity Assistance Program	2,326	260,000	0	0
Cannabis Equity Program	2,752	447,000	0	0
Children's Discovery Museum	368,523	379,600	390,988	390,988
Children's Discovery Museum Capital Maintenance	116,656	87,100	89,200	89,200
CHIPS Act Facilitation	0	200,000	0	0
City-wide Retail Attraction Program	0	17,000	0	0
Creating Connections	2,063	0	0	0
Creative Licenses Ambassador Program	26,150	0	0	0
CreaTV Hybrid Event Space	13,315	25,000	0	0
Destination Marketing Initiative	400,000	0	0	0
Diridon Station Area Development Planning	9,920	697,000	0	0
District 10 Murals	40,146	0	0	0
District 7 Murals	4,382	0	0	0
Donor Wall	6,527	90,000	0	0
Downtown Pedestrian Quality of Life	342,174	300,000	0	0
East San José Business Improvement District	3,486	0	0	0
Economic Development Pre-Development Activities	173,403	100,000	100,000	100,000
Enhanced Infrastructure Financing District	0	0	0	100,000
General Employee Tuition	1,000	0	0	0
Google Community Benefits - Economic Development	84,278	1,283,000	0	0
Google Community Benefits – Stabilization and Opportunity Pathways	0	200,000	0	0
Hammer Theater Center Operations and Maintenance	347,815	358,249	368,996	368,996
Hammer Theatre Capital Maintenance	0	30,000	30,000	30,000
History San José	956,682	985,382	1,014,943	1,014,943

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Japantown Creative Center for the Arts Transportation Improvements	0	150,000	0	0
Joint Venture Silicon Valley	81,807	53,506	53,000	53,000
Neighborhood Business Districts	75,000	150,000	50,000	50,000
Paseo de San Antonio Update	75,000	0	0	0
Paseo de San Antonio Wayfinding	0	25,000	0	0
Pocket Park in the Tropicana-Lanai Neighborhood	4,505	19,000	0	0
Property Leases	1,995,149	2,030,136	2,097,498	2,097,498
Re-Employment and Workforce Development - Small Business Resilience Corps	0	0	0	0
San Jose Al Fresco - San Pedro and Post Streets Closure	125,971	0	0	0
San Jose Climate Art	50,243	0	0	0
San José Creates and Connects	40,699	0	0	0
San José Downtown Association	582,567	513,166	322,560	322,560
San José Museum of Art	608,867	627,133	645,947	645,947
San Jose Shared Arts Center	200,000	0	0	0
San José State University/City Downtown Co-Branding Pilot Campaign	44,959	49,000	0	0
San José Works - Youth Jobs Initiative	1,664,595	1,398,100	1,440,043	1,239,757
Santa Clara County Public Art Services	65,357	279,126	200,000	200,000
Sick Leave Payments Upon Retirement	49,492	0	0	0
Small Business ADA Legal Support	0	120,000	0	0
Small Business Recovery - San José Al Fresco	55,000	0	0	0
Small Business Recovery - Shop Local Hub to Support Neighborhood Business Distr	25,140	0	0	0
Small Business Recovery - Small Business + Manufacturing Recovery Initiative	186,020	90,000	0	0
Small Business Recovery - Small Business Displacement Index Study	0	60,000	0	0
Small Business Recovery - Small Business Technical Assistance Revamp	0	117,000	0	0
Small Business Recovery - Storefront Activation Grants	40,000	60,000	0	0
Small Business Recovery - Supplemental Business Development Communications	149,484	47,000	0	0
Small Business Recovery - Supplemental Economic Development Association Capacit	226,396	225,000	0	0
Small Business Recovery - Supplemental Legal Assistance for Tenant	210,000	0	0	0
Small Business Recovery - Underwrite Creation of New Property Business Improvem	328,726	0	0	0
Small Business Recovery - Virtual Accelerator Program for New Businesses	0	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Sports Authority	604,312	470,213	484,319	734,319
Stitching Districts Initiative	0	0	0	250,000
Storefront Activation Grant Program	755,000	350,000	350,000	400,000
Storefront Activation Program - Alum Rock	0	75,000	0	0
Story Road Corridor Small Business Support	60,000	0	0	0
Supplemental Arts + Cultural Funding	486,944	100,000	0	0
The Tech Interactive	1,518,071	1,563,613	1,610,521	1,610,521
The Tech Interactive Capital Maintenance	0	110,500	110,500	110,500
VTA Eastridge to BART Regional Connector Public Art	31,175	48,000	0	0
Weavers' Gift Ohlone Sculpture Restoration	3,604	0	0	0
Winchester Business Association	50,000	0	0	0
Workforce Development Service Enhancement	72,780	0	0	0
Fire Department				
Sick Leave Payments Upon Retirement	17,871	0	0	0
Housing Department				
Build Back Better and COVID-19 Recovery - COVID-19 Recovery Taskforce	116,748	0	0	0
CommUniverCity Program	0	100,000	100,000	100,000
Emergency Housing - Emergency Housing Construction and Operation	10,953	0	0	0
General Employee Tuition	2,000	0	0	0
Google Community Benefits - Community Stabilization	607,414	749,187	0	0
Hazard Mitigation Grant Program	7,252	0	0	0
Measure E - 30% Low-Income Households	6,613,462	0	0	0
Measure E - 40% Extremely Low-Income Households	133,416	0	0	0
Measure E - 5% Program Administration	12	0	0	0
Measure E – Pavilion Inn Rehabilitation (40% ELI)	0	0	0	0
Measure E - Project HomeKey 2.0 (40% ELI)	0	0	0	0
Measure E - Supportive Parking Site Berryessa Road (15% HSP)	0	0	0	0
Measure E - Supportive Services - CARE Coordination Program (15% HSP)	0	0	0	0
Measure E – SureStay Hotel Repairs (40% ELI)	0	0	0	0
Responsible Landlord Engagement Initiative	$114	0	0	0
Sick Leave Payments Upon Retirement	3,768	0	0	0
Testing, Tracing and Isolation	$10,000,000	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Planning, Building and Code Enforcement Department				
Blight Busters	17,267	93,733	0	0
Certified Access Specialist Program - ADA Compliance	975	0	0	0
Destination: Home SV Grant	192,701	0	0	0
Development Fee Program Integrated Permitting System	264,156	0	0	0
General Employee Tuition	11,209	0	0	0
Hazard Mitigation Grant Program	72,912	0	0	0
Historic Preservation	14,131	104,400	0	0
Local Early Action Planning - Housing and Community Development Grant	289,238	0	0	0
Mobile Home Park Protections	0	0	0	0
Planning Commission	27,738	35,000	35,000	35,000
Regional Early Action Planning - Housing and Community Development Grant	$3,080	0	0	0
Senate Bill 2 - Housing and Community Development Grant	0	0	0	0
Sick Leave Payments Upon Retirement	11,892	0	0	0
Public Works Department				
4th Street Garage Banquet Facility Maintenance and Operations	46,294	150,000	0	0
Alum Rock Village Placemaking	0	53,000	0	0
Community Facilities District No. 18 Feasibility Project	10,325	75,000	0	0
Mexican Heritage Plaza Capital Maintenance	0	100,000	100,000	100,000
Mexican Heritage Plaza Maintenance and Operations	0	523,400	539,102	539,102
Office of Equality Assurance Labor Compliance System	324,509	0	0	0
Thomas Fallon Statue Deaccession	0	0	0	0
Community and Economic Development Total:	**$13,180,455**	**$18,993,644**	**$10,596,317**	**$11,046,031**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Environmental and Utility Services				
Energy Department				
Diridon Station Area Development Planning - Electric Microgrid	224,027	492,000	0	0
Energy Saving Retrofits	223,709	0	0	0
Extreme Heat and Community Resilience Program	0	341,000	0	0
Municipal Electric Utility Service Exploration	19,811	0	0	0
Sick Leave Payments Upon Retirement	391	0	0	0
Environmental Services Department				
2023-2026 Adaptation Planning Grant	107,258	0	0	0
Burrowing Owl Habitat Management	0	128,954	0	0
City Facilities Solid Waste Collection and Processing	82,186	100,000	100,000	100,000
Clean Creeks, Healthy Watersheds	337,372	0	0	0
Environmental Stewardship Program	6,923	196,728	0	0
Expedited Purified Water Program	0	0	0	0
General Employee Tuition	5,354	0	0	0
Green Stormwater Fee Analysis	0	172,000	0	0
Homelessness Services and Solutions	2,152	0	0	0
Interim Housing Construction and Operation	2,293	0	0	0
Sanitary Sewer Fees	832,955	830,000	830,000	830,000
Sick Leave Payments Upon Retirement	70,995	0	0	0
Storm Fees	303,593	310,000	310,000	310,000
Stormwater Fee Study	24,797	240,000	0	0
Environmental and Utility Services Total:	**$2,243,816**	**$2,810,682**	**$1,240,000**	**$1,240,000**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Neighborhood Services				
Housing Department				
BeautifySJ and Encampment Waste Pick Up - San Jose Bridge Program	907,351	0	0	0
Emergency Housing - Emergency Housing Construction and Operation	150,814	0	0	0
Emergency Housing - Sheltering and Enhanced Encampment Services	196,608	0	0	0
Emergency Interim Housing Construction and Operation	0	0	0	0
Homeless Rapid Rehousing	466,919	0	4,000,000	4,000,000
Housing Stabilization - Hotel Sheltering Operations + Services	2,264,672	0	0	0
Housing Stabilization - South Hall Demobilization + Housing Assistance Center	123,791	0	0	0
Interim Housing Construction and Operation	4,494,225	900,000	15,000,000	13,750,000
Measure E - 5% Program Administration	198,976	0	0	0
Measure E - Homeless Legal Services (10% HPRA)	$1,687	0	0	0
Measure E - Homeless Response and Outreach Contractual Services (15% HSP)	2,142,870	0	0	0
Measure E - Homeless Response and Outreach Staffing (15% HSP)	0	0	0	0
Measure E - Homeless Support Programs (15% HSP)	$88,516	0	0	0
Measure E - Interim Housing Construction & Ops. - Surestay Operations (15% HSP)	$6,352	0	0	0
Measure E - Project HomeKey 2.0 (40% ELI)	8,415,652	0	0	0
Measure E - Rental Assistance (10% HPRA)	$322,857	0	0	0
Measure E - SJ Bridge	0	0	0	0
Measure E - Supportive Parking Site Berryessa Road (15% HSP)	269,859	0	0	0
Measure E - Supportive Services - Overnight Warming Locations (15% HSP)	$12,000	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Library Department				
California Public Utilities Commission (CPUC) Local Agency Technical Assistance	207,361	0	0	0
Californians4All Phase 4 Learning Pathway - Library	0	1,581,634	0	0
CaliforniansForAll Youth Workforce Program – Learning Loss Mitigation Pathway	211,239	27,194	0	0
Child and Youth Services - Family, Friend, & Neighborhood Program	0	0	0	0
Digital Equity - Community WiFi	$3,492	439,610	0	0
Digital Equity - Device Access	0	0	0	0
Digital Equity - Digital Equity Communications, Outreach, + Education	198,165	358,171	0	0
Digital Inclusion Program	597,365	734,000	744,000	744,000
General Employee Tuition	5,047	0	0	0
Google Community Benefits - Economic Development	192,802	0	0	0
Hispanic Foundation of Silicon Valley	18,950	0	0	0
Library Grants	694,160	336,582	0	0
San José Learns	1,000,000	1,000,000	1,000,000	1,000,000
Sick Leave Payments Upon Retirement	6,324	0	0	0
SJ Access Community WiFi Improvements	47,656	368,146	0	0
SJPL Foundation Grants	614,822	628,443	474,240	474,240
SJPL Foundation Grants - Coding 5K	138,762	0	0	0
Youth Commission	12,833	13,000	5,000	5,000

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Parks, Recreation and Neighborhood Services Department				
Affordable Housing and Sustainable Communities Grant – Coyote Creek Trail	28,408	0	0	0
After School Education and Safety Programs 2023-2024	$952	0	0	0
After School Education and Safety Programs 2024-2025	129,000	0	0	0
Arena Public Safety	753	0	0	0
BeautifySJ and Encampment Waste Pick Up - BeautifySJ Consolidated Model	671,173	0	0	0
BeautifySJ Grants	673,921	250,000	250,000	300,000
Berryessa Flea Market Vendor Business Transition Fund	307	0	0	0
Blue Zones Project San Jose Readiness Assessment	111,111	0	0	0
Californians4All Phase 4 Climate Change Pathway - PRNS	0	1,939,515	0	0
CaliforniansForAll Youth Workforce Program - Climate Change Pathway	3,152,696	1,725,753	0	0
CalOES Innovative Response to Marginalized Victims Program Grant 2023	0	0	0	0
Child and Youth Services - Child and Youth Services Master Plan	967,608	294,000	0	0
Coyote Creek Project Reaches 5-7 (Valley Water)	1,104,394	0	0	0
Danny the Dragon Renovation Project	114,524	200,000	0	0
Food and Necessities Distribution - Food Services	$150	0	0	0
Gateway Maintenance	0	250,000	0	0
General Employee Tuition	7,055	0	0	0
Homeless Rapid Rehousing	466	0	0	0
Homelessness Management Services	918,706	0	0	0
Inflation Reduction Act - Urban Forestry Grant (PRNS)	219,756	280,245	0	0
Neighborhood Blight Enforcement	0	250,000	0	0
Outdoor Equity Grant	233,208	200,000	0	0
Park and Open Street Activation - Council District #02	6,911	0	0	0
Park and Open Street Activation - Council District #03	$23	0	0	0
Park and Open Street Activation - Council District #08	7,983	0	0	0
Park and Open Street Activation - Council District #10	14,998	0	0	0
PG&E Summer Cooling Shelter Program Grant	6,354	0	0	0
Placemaking and Public Space Activations	135,055	144,000	144,000	144,000
Re-Employment and Workforce Development - Environment Resilience Corps	0	0	0	0
Sakauye Farmhouse Relocation	0	25,000	0	0
San Jose BEST Accountability and Oversight	102,713	0	0	0
San José BEST and Safe Summer Initiative Programs	6,767,821	7,185,287	7,400,846	7,303,018
San José Works - Youth Jobs Initiative	117,812	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Santa Clara County Homeless Encampment Cleanup	88,758	0	0	0
Santa Clara County Probation Teen Grant 2024-2025	86,818	0	0	0
Santa Clara County Probation Teen Grant 2025-2026	0	100,000	0	0
Senior Nutrition Program	3,213,262	3,284,718	1,519,902	1,519,902
Sick Leave Payments Upon Retirement	74,500	0	0	0
Small Business, Non-Profits, and Arts - San José Abierto	5,449	0	0	0
Social and Emotional Support in Evergreen Elementary School District	100,000	0	0	0
Summer Youth Nutrition Program	61,811	120,533	0	0
Workers' Compensation Claims - PRNS	943,255	1,271,000	1,269,000	1,269,000
Public Works Department				
Interim Housing Construction and Operation	14,596	0	0	0
Neighborhood Services Total:	**$43,222,376**	**$23,906,831**	**$31,806,988**	**$30,509,160**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Public Safety				
Office of the City Manager				
2023 Emergency Management Performance Grant	39,648	0	0	0
CalOES Mobile Operations Satellite Expeditionary System	216,250	0	0	0
Hazard Mitigation Grant Program	338,593	500,331	0	0
Police Reforms Workplan	71,792	34,000	0	0
Public Safety Power Shutoff Resiliency	0	0	0	0
State Homeland Security Grant Program - CMO 2022	23,312	0	0	0
Urban Areas Security Initiative Grant - Police 2024	0	0	0	0
Fire Department				
California Firefighter Joint Apprenticeship Committee	14,650	0	0	0
County of Santa Clara EMS Trust Fund - 2023	27,301	0	0	0
Fire Station 26	0	10,000	0	0
General Employee Tuition	28,306	0	0	0
Hazardous Materials Consent Judgment	4,341	121,848	0	0
State Homeland Security Grant Program - Fire 2023	75,435	17,796	0	0
Urban Areas Security Initiative Grant - Fire 2021	0	0	0	0
Urban Areas Security Initiative Grant - Fire 2022	44,167	0	0	0
Urban Areas Security Initiative Grant - Fire 2023	0	1,073,379	0	0
Urban Areas Security Initiative Grant - Fire 2024	2,768	619,627	0	0
Workers' Compensation Claims - Fire	14,599,817	12,605,000	13,715,000	13,715,000
Independent Police Auditor's Office				
Sick Leave Payments Upon Retirement	13	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Police Department				
2023-2024 Board of State and Community Corrections Officer Wellness and Mental H	121,462	451,581	0	0
2023-2024 Board of State and Community Corrections Organized Retail Theft Grant	2,345,281	4,814,163	0	0
2024 National Sexual Assault Kit Initiative	0	702,138	0	0
Arena Public Safety	98,985	100,000	100,000	100,000
Bay Area Regional Interoperability Communication System (BAYRICS)	0	7,500	7,500	7,500
Byrne Discretionary Community Project Grant 2022-2023	245,486	471,846	0	0
Camera Pilot Program	83,081	15,000	0	0
Car Break-in Prevention Program	265,413	101,656	0	0
City-Generated Tow Services Program	38,392	0	0	0
Collaborative Approaches Toward Preventing and Addressing Hate Grant	330,819	149,154	0	0
CrimeStoppers	2,950	30,336	0	0
Department of Alcohol Beverage Control (ABC) Grant	0	0	0	0
Department of Alcohol Beverage Control (ABC) Grant 2024	14,837	0	0	0
Department of Alcohol Beverage Control (ABC) Grant 2025	35,535	15,656	0	0
General Employee Tuition	17,500	0	0	0
Gun Safety with the California Department of Justice	0	142,763	0	0
Internet Crimes Against Children (ICAC) Task Force Invited Awards - Police 2020	56,435	0	0	0
Internet Crimes Against Children State Grant 2021-2022	4,050	0	0	0
Internet Crimes Against Children State Grant 2023-2024	642,649	0	0	0
Internet Crimes Against Children State Grant 2024-2025	310,105	620,185	0	0
Internet Crimes Against Children Task Force Invited Award - Police 2023	830,125	212,484	0	0
Law Enforcement Mental Health and Wellness Act (LEMHWA) Project – 2022	49,344	44,974	0	0
Mobile Data Computer Replacement	0	5,184,000	0	0
National Sexual Assault Kit Initiative	716,050	832,199	0	0
Northern California Regional Intelligence Center - Police 2022	0	0	0	0
Northern California Regional Intelligence Center - Police 2023	134,592	0	0	0
Northern California Regional Intelligence Center - Police 2024	149,062	104,087	0	0
Northern California Regional Intelligence Center Staffing (City Match)	165,901	227,800	0	0
Oversized Vehicle Regulation Pilot Program	37,020	0	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Parent Project - Santa Clara County	20,363	66,000	0	0
Selective Traffic Enforcement Program 2022-2023	0	0	0	0
Selective Traffic Enforcement Program 2023-2024	42,501	0	0	0
Selective Traffic Enforcement Program 2024-2025	123,993	180,610	0	0
Sick Leave Payments Upon Retirement	529,666	0	0	0
State Homeland Security Grant Program - Police 2021	18,000	0	0	0
State Homeland Security Grant Program – Police 2022	28,681	0	0	0
State Homeland Security Grant Program - Police 2023	14,366	0	0	0
Trusted Response Urgent Support Team	450,000	0	0	0
Urban Areas Security Initiative Grant - Police 2021	41,483	0	0	0
Urban Areas Security Initiative Grant - Police 2022	467,455	0	0	0
Urban Areas Security Initiative Grant - Police 2023	91,543	0	0	0
Urban Areas Security Initiative Grant - Police 2024	250,995	498,400	0	0
Workers' Compensation Claims - Police	10,722,012	10,439,000	10,772,000	10,772,000
Public Safety Total:	**$34,982,525**	**$40,393,513**	**$24,594,500**	**$24,594,500**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Transportation and Aviation Services				
Airport Department				
General Employee Tuition	5,129	0	0	0
Sick Leave Payments Upon Retirement	101,999	0	0	0
Transportation Department				
Arena Public Safety	9,472	0	0	0
City Council Participatory Budgeting - Council District #03	6,484	0	0	0
Contractual Street Tree Planting	40,456	138,340	16,200	16,200
Electric Vehicle Charging Stations (LCFS Credits)	777	36,452	0	0
Emergency Street Tree Services	404,690	500,000	500,000	500,000
General Employee Tuition	1,173	0	0	0
Inflation Reduction Act - Urban Forestry Grant (Transportation)	0	526,500	0	1,762,686
Internet of Things (IoT) Speed Dashboard	0	0	0	0
Oversized Vehicle Regulation Pilot Program	190,000	425,000	425,000	425,000
Park Strip Tree Planting	29,417	0	0	0
Sick Leave Payments Upon Retirement	100,557	0	0	0
Sidewalk and Tree Hardship	512,288	513,000	513,000	513,000
Sidewalk Repairs	2,499,418	2,500,000	2,500,000	2,500,000
Tree Mitigation	824,547	2,220,000	0	0
Workers' Compensation Claims - Transportation	311,509	534,000	508,000	508,000
Transportation and Aviation Services Total:	**$5,037,916**	**$7,393,292**	**$4,462,200**	**$6,224,886**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Strategic Support				
Finance Department				
Banking Services	644,349	635,000	600,000	600,000
Business Tax System Replacement	414,743	1,220,000	0	0
Californians4All Phase 4 Admin - Finance	0	40,100	0	0
CaliforniansForAll Youth Workforce Program - Fiscal Administration	17,715	21,000	0	0
Certified Access Specialist Program - ADA Compliance	30,247	252,800	261,500	261,500
City of San José Disparity Study	110,937	34,500	0	0
Commercial Paper Program Fees	288,191	235,000	228,000	228,000
Energy Services Company (ESCO) Debt Service	973,288	927,000	849,000	849,000
ERP System Feasibility Assessment	0	0	0	0
Fair Labor Standards Act System Configuration	0	75,000	75,000	75,000
Financial Management System (FMS) Upgrade	12,855	16,285	0	134,000
Flood Emergency Response Plans	0	0	0	0
General Employee Tuition	1,620	0	0	0
Insurance Premiums	2,295,649	2,620,000	2,984,000	2,984,000
Measure E - 5% Program Administration	$5,626	0	0	0
Police Officers' Professional Liability Insurance	124,310	136,445	148,820	148,820
Property Tax Administration Fee	2,648,266	2,800,000	2,755,000	2,755,000
Revenue Enhancement Consulting Services	284,160	752,000	752,000	752,000
Sick Leave Payments Upon Retirement	3,918	3,000,000	2,500,000	2,500,000
Human Resources Department				
Day of Service	0	0	25,000	25,000
Employee Resource Group	3,121	16,000	0	0
General Employee Tuition	708	100,000	100,000	100,000
Organizational Effectiveness	0	40,000	40,000	40,000
Recovery Foundation and Drive to Digital - OneCity Workplace	153,645	0	0	0
Sick Leave Payments Upon Retirement	10,891	0	0	0
Workers' Compensation Claims - Other Departments	1,373,777	1,509,000	1,602,000	1,602,000
Workers' Compensation State License	1,022,389	1,570,000	1,250,000	1,250,000

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Information Technology Department				
Customer Experience Transformation	340,820	0	0	0
Data Capacity Expansion Project	83,136	0	0	0
Digital Inclusion Program	105,221	0	0	0
ESUHSD Community WiFi - Network Maintenance	725,449	725,463	0	0
General Employee Tuition	1,538	0	0	0
Recovery Foundation and Drive to Digital - Hybrid Workplace	0	0	0	0
Recovery Foundation and Drive to Digital - OneCity Workplace	372,573	17,000	0	0
San José 311 Enhancements	77,279	0	0	0
Sick Leave Payments Upon Retirement	37,211	0	0	0
T-Mobile Macro Site Process Reimbursement	0	0	0	0
Toyota Mobility Foundation Grant	147,163	113,000	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Public Works Department				
4th Street Garage Banquet Facility Maintenance and Operations	45,904	0	0	0
Arena Public Safety	6,082	0	0	0
California Public Utilities Commission (CPUC) Local Agency Technical Assistance	8,121	0	0	0
Chinese Historical Society	3,000	3,000	3,000	3,000
City Facilities Security Improvements	75,868	0	0	0
City-Owned Property Management and Maintenance	100,326	200,000	200,000	200,000
Climate and Seismic Resilience Planning	218	0	0	0
Digital Inclusion Program	4,263	0	0	0
Downtown Pedestrian Quality of Life	24,581	0	0	0
Emergency Housing - Emergency Housing Construction and Operation	5,379	0	0	0
ESUHSD Community WiFi - Mt Pleasant	0	0	0	0
ESUHSD Community WiFi - Silver Creek	0	0	0	0
General Employee Tuition	4,896	0	0	0
Government Access - Capital Expenditures	175,353	285,000	275,000	275,000
Inspection and Permit Assistance	0	0	0	50,000
Insurance Premiums	939	0	0	0
Interim Housing Construction and Operation	6,943	0	0	0
Measure E - Interim Housing Maintenance (15% HSP)	0	0	0	0
Mexican Heritage Plaza Capital Maintenance	62,128	0	0	0
Mexican Heritage Plaza Maintenance and Operations	508,118	0	0	0
PEG - CreaTV	0	240,000	240,000	240,000
Police Garage Key Storage	0	0	0	0
Public, Educational, and Government (PEG) Access Facilities - Capital	0	855,000	825,000	825,000
Public Works Unfunded Projects	195,225	200,000	300,000	300,000
Review and Inspection of Billboards and Other Facilities	386,462	403,000	0	0
Sick Leave Payments Upon Retirement	46,044	0	0	0
Workers' Compensation Claims - Public Works	400,940	523,000	523,000	523,000
Strategic Support Total:	**$14,360,333**	**$19,564,593**	**$16,536,320**	**$16,720,320**

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Strategic Support - Council Appointees				
Office of the City Attorney				
False Claims Act Litigation Settlement	0	259,000	0	0
General Employee Tuition	1,572	0	0	0
General Liability Claims	17,273,084	6,900,000	7,000,000	7,000,000
Sick Leave Payments Upon Retirement	100,397	0	0	0
Office of the City Auditor				
ACFR Annual Audit	300,401	299,900	299,900	299,900
Bond Project Audits	72,459	76,700	76,700	76,700
Grant Compliance Single Audit	155,975	165,500	170,500	170,500
Office of the City Clerk				
Board of Fair Campaign and Political Practices	9,515	40,000	40,000	40,000
City Auditor's Office Performance Audit	0	6,000	6,000	6,000
City Council Participatory Budgeting - Council District #01	7,500	37,541	0	0
City Council Participatory Budgeting - Council District #03	57,091	174,942	0	0
City Council Participatory Budgeting - Council District #05	11,627	91,178	0	0
City Dues / Memberships	600,202	601,512	735,000	735,000
Civil Service Commission	15,000	16,000	16,000	16,000
Connecting Neighbors to Neighbors	214,398	0	0	0
Council Appointee Review Process	20,883	75,000	75,000	75,000
Council District Outdoor Activation	0	0	0	0
Elections and Ballot Measures	5,458,238	6,790,000	2,200,000	2,200,000
Mayor and City Council Travel	5,447	10,000	10,000	10,000
Sharks Community Fund	221,513	400,000	250,000	250,000
State of the City Convocation	45,000	45,000	45,000	45,000
Together San Jose Phase Two	11,527	550,000	0	0

City-Wide Expenses

Detail of Costs Description

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Office of the City Manager				
2023-2026 Adaptation Planning Grant	37,732	0	0	0
2-1-1 Call Center	150,000	75,000	75,000	75,000
Build Back Better and COVID-19 Recovery - Community Engagement	84,000	0	0	0
Build Back Better and COVID-19 Recovery - COVID-19 Recovery Taskforce	231,879	0	0	0
Child and Youth Services - Child and Youth Services Master Plan	20,459	0	0	0
City Manager Special Projects	109,906	175,000	0	0
City Outreach and Education Efforts	132,288	0	0	0
City Website and Intranet Redesign	89,999	0	0	0
Climate and Seismic Resilience Planning	313,805	0	0	0
Community-Based Violence Solutions	281,500	80,000	0	0
CommUniverCity Program	104,620	0	0	0
Customer Experience Transformation	1,161,265	3,475,000	0	3,900,000
Customer Satisfaction Survey	181,993	179,000	179,000	179,000
Digital Inclusion Program	460,016	0	0	0
E-Ideas Program	0	25,000	25,000	25,000
Emergency Housing - Emergency Housing Construction and Operation	$9,837	0	0	0
Government Access - Capital Expenditures	194,786	0	0	0
Homelessness Services and Solutions	269,306	452,000	0	0
Interim Housing Construction and Operation	546,526	0	0	0
Labor / Employee Relations Consultant Funding	46,578	30,000	0	0
Organizational Effectiveness	39,998	0	0	0
Outcomes, Equity Indicators, + Performance Management	28,982	0	0	0
PEG - CreaTV	240,000	0	0	0
Public, Educational, and Government (PEG) Access Facilities - Capital	949,555	0	0	0
Sick Leave Payments Upon Retirement	34,134	0	0	0
Mayor & City Council				
4th of July Celebration	12,818	0	0	0
Council District Outdoor Activation	39,604	0	0	0
Sick Leave Payments Upon Retirement	4,922	0	0	0
Office of Retirement Services				
1970, 1980, and 1990 COLA Federated, Police & Fire Retirees	8,637	11,000	11,000	11,000
Police Retirees' Health / Dental Fees	28,996	50,000	50,000	50,000
Strategic Support - Council Appointees Total:	**$30,376,296**	**$21,090,273**	**$11,264,100**	**$15,164,100**

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General Fund Capital, Transfers, Reserves

MISSION

To provide necessary funding for: (1) capital projects not funded by a dedicated funding source, (2) transfers to other funds, (3) reserves earmarked for known future needs, and (4) a reserve for unforeseen contingencies

CITY SERVICE AREAS

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

EXPENSE TYPE

Capital Contributions
Transfers to Other Funds
Earmarked Reserves
Contingency Reserve

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General Fund Capital, Transfers, Reserves

Budget Summary

	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	% Change
	1	2	3	4	
Dollars by Expense Type					
Capital Contributions	61,441,627	47,711,936	5,980,000	14,275,000	(70.1%)
Transfers to Other Funds	189,136,215	36,278,616	23,510,294	23,260,294	(35.9%)
Earmarked Reserves	N/A	237,371,366	21,304,203	25,183,203	(89.4%)
Contingency Reserve	N/A	53,000,000	51,000,000	51,000,000	(3.8%)
Total	**$250,577,842**	**$374,361,918**	**$101,794,497**	**$113,718,497**	**(69.6%)**
Dollars by Category					
Capital, Transfers, Reserves	250,577,842	374,361,918	101,794,497	113,718,497	(69.6%)
Total	**$250,577,842**	**$374,361,918**	**$101,794,497**	**$113,718,497**	**(69.6%)**
Dollars by Fund					
General Fund	250,577,842	374,361,918	101,794,497	113,718,497	(69.6%)
Total	**$250,577,842**	**$374,361,918**	**$101,794,497**	**$113,718,497**	**(69.6%)**
Authorized Positions		**N/A**	**N/A**	**N/A**	**N/A**

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Prior Year Budget (2025-2026):	**0.00**	**374,461,918**
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions: Rebudgets		(33,155,000)
• Capital Contributions: 9-1-1 Dispatch Backup Generator Replacements		(5,000,000)
• Capital Contributions: Animal Care and Services - Various Improvements		(250,000)
• Capital Contributions: Berryessa Supportive Parking		1,300,000
• Capital Contributions: Center for Performing Arts Chiller Replacement		(600,000)
• Capital Contributions: Evergreen Village Square Vibrancy Improvements		(25,000)
• Capital Contributions: Facility Lighting Replacement		(250,000)
• Capital Contributions: Interim Housing - Cerone		(1,300,000)
• Capital Contributions: Paso Los Cerritos Speed Mitigation		(47,936)
• Capital Contributions: Plaza de Cesar Chavez Permanent Stage		(100,000)
• Capital Contributions: Police Training Center Fixtures, Furniture and Equipment		(3,000,000)
• Capital Contributions: Rose Garden Streetlight Installations		(44,000)
• Capital Contributions: Saratoga Urban Village - Interjurisdictional Transportation Impact Fee Study		(40,000)
• Capital Contributions: Safety Improvements at Kooser Road and Darthmouth Drive		(25,000)
• Capital Contributions: Safety Improvements at Leigh Avenue and Laurinda Drive		(25,000)
• Capital Contributions: Schiele Subdivision Historic District Signage		(40,000)
• Capital Contributions: Southside Transit Access Study		(200,000)
• Capital Contributions: The Tech Interactive Corroded HVAC Pipes Remediation		(1,000,000)
• Transfer to Other Funds: Emergency Reserve Fund		(10,000,000)
• Transfer to Other Funds: Vehicle Maintenance and Operations Fund		500,000
• Earmarked Reserves: Rebudgets		(182,699,913)
• Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		1,250,000
• Earmarked Reserves: Fire Equipment Replacement Sinking Fund Reserve		405,000
• Earmarked Reserves: Fire Equipment Replacement Sinking Fund Reserve		200,000
• Earmarked Reserves: Police Department Sworn Backfill Reserve		(5,000,000)
• Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		985,000
	0.00	**(238,161,849)**
Technical Adjustments to Costs of Ongoing Activities		
• Capital Contributions: Capital Program and Public Works Department Support Service Costs		(30,000)
• Capital Contributions: Fire Apparatus Replacement		2,000,000
• Transfers to Other Funds: Alameda Community Benefit Improvement District Fund		8,450
• Transfers to Other Funds: City Hall Debt Service Fund		31,265
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		42,248
• Transfers to Other Funds: Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)		(50,000)
• Transfers to Other Funds: San José Arena Capital Reserve Fund		(2,300,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2025-2026 Adopted to 2026-2027 Proposed)

	Positions	General Fund ($)
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
• Transfers to Other Funds: Service Yards C&C Tax Fund		(1,000,000)
• Transfers to Other Funds: Willow Glen Community Benefit Improvement District Fund		(285)
• Earmarked Reserves: Contingency Reserve		(2,000,000)
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		2,000,000
• Earmarked Reserves: New Parks and Recreation Facilities Operations and Maintenance Reserve		126,000
• Earmarked Reserves: New Traffic Infrastructure Assets Operations and Maintenance Reserve		105,000
• Earmarked Reserves: Revenue Loss Reserve		(26,000,000)
• Earmarked Reserves: Salaries and Benefits Reserve		(7,438,250)
	0.00	**(34,505,572)**
2026-2027 Forecast Base Budget:	**0.00**	**101,794,497**
Budget Proposals Recommended		
Capital Contributions		
1. Capital Contributions: 9-1-1 Call Center Upgrades FF&E (Fire)		350,000
2. Capital Contributions: 9-1-1 Dispatch Back Up Generator Replacement		3,500,000
3. Capital Contributions: City Hall Water Intrusion Remediation		2,000,000
4. Capital Contributions: Fire Station Alerting System Network		475,000
5. Capital Contributions: Fire Station Privacy Enhancements		570,000
6. Capital Contributions: Patty O'Malley Artificial Turf Field Replacement		1,600,000
7. Capital Contributions: Unanticipated/Emergency Maintenance		(200,000)
	0.00	**8,295,000**
Transfers to Other Funds		
1. Transfer to Other Funds: Transfer to Vehicle Maintenance and Operations Fund		(250,000)
	0.00	**(250,000)**
Earmarked Reserves		
1. Earmarked Reserves: Children and Youth Services Master Plan Implementation Reserve		500,000
2. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		(2,000,000)
3. Earmarked Reserves: Essential Services Reserve		2,000,000
4. Earmarked Reserves: Fire Equipment Replacement Sinking Fund Reserve		(475,000)
5. Earmarked Reserves: New Parks and Recreation Facilities Operations and Maintenance Reserve		(126,000)
6. Earmarked Reserves: New Traffic Infrastructure Assets Operations and Maintenance Reserve		(105,000)
7. Earmarked Reserves: Police Department Sworn Backfill Reserve		5,000,000
8. Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		(915,000)
	0.00	**3,879,000**
Total Budget Proposals Recommended	**0.00**	**11,924,000**
2026-2027 Proposed Budget Total	**0.00**	**113,718,497**

Budget Changes by Expense Type

2026-2027 Proposed Budget Changes	Positions	General Fund ($)

Capital Contributions

1. Capital Contributions: 9-1-1 Call Center Upgrades FF&E (Fire) **350,000**

Public Safety CSA

This action adds one-time funding of $350,000 to address higher than anticipated costs for furniture, fixtures, and equipment (FF&E) at the 911 Call Center. An initial allocation of $1.6 million was included in the Fire Construction and Conveyance Tax Fund; however, current projections reflect a decreased level of C&C Tax revenue collections, and the fund is unable to cover the additional costs. This supplemental funding will equip the newly expanded 911 Call Center, which now incorporates areas previously occupied by the Office of Emergency Management, with modern FF&E designed to enhance operational efficiency and cross-agency coordination, with project completion anticipated by August 2027. (Ongoing costs: $0)

2. Capital Contributions: 9-1-1 Dispatch Backup Generator Replacement **3,500,000**

Strategic Support CSA

This action adds one-time funding of $3.5 million to the 9-1-1 Dispatch Backup Generator Replacement project. The additional funding reflects updated project cost estimates associated with equipment procurement, construction, and related infrastructure improvements required to replace the two backup generators serving the 9-1-1 Communications Center at the Police Communications Building. The existing generators are approximately 30 years old, have exceeded their useful life and must be replaced to ensure continued emergency operations during sustained power outages. The additional funding accounts for updated equipment and installation costs, as well as additional work required to bring the facility into compliance with current building and electrical and Bay Area Air Quality Management District (BAAQMD) requirements associated with generator replacement. Due to the facilities age and existing building condition constraints, the project may require supporting electrical, structural, and site improvements to accommodate the new generators and ensure safe and reliable operation necessary to support reliable backup power for the City's emergency communications infrastructure. (Ongoing costs: $0)

3. Capital Contributions: City Hall Water Intrusion Remediation **2,000,000**

Strategic Support CSA

This action adds one-time funding of $2.0 million to initiate the first phase of the City Hall Water Intrusion Remediation project. City Hall has experienced water intrusion issues for several years that require comprehensive remediation strategy to ensure the building's long-term functionality. Approximately $150,000 will be expended in 2025-2026 to procure consultant services to serve as an Owner's Advisor. The consultant will support project planning, cost control, and technical oversight during development of a Design-Build delivery approach under which a single contractor will be responsible for both design and construction. This funding for 2026-2027 will support preliminary design development activities, technical assessments, and construction-related activities required to advance phased remediation work. The overall remediation effort is currently estimated to cost approximately $45 million to $50 million. Staff will return to the City Council later in the 2026-2027 with a recommended strategy to initate construction, which could include a phased project schedule and leverage a mix of one-time sources and financing proceeds. (Ongoing costs: $0)

Budget Changes by Expense Type

2026-2027 Proposed Budget Changes	Positions	General Fund ($)
4. Capital Contributions: Fire Station Alerting System Network		**475,000**
Public Safety CSA		
This action adds one-time funding of $475,000 for the replacement and installation of 39 Fire Station Alerting System routers at 37 fire stations. This project builds on the $270,000 allocated under the Public Works Department during the 2025-2026 Mid-Year Budget Review action for unexpected cabling upgrades not included in the original project scope. These devices are integral components of the emergency dispatch network, ensuring continuous connectivity between individual fire stations and the City's public safety network. As the current inventory reaches the end of its serviceable life, this modernization is essential to maintain reliable emergency communications. These routers provide critical wireless redundancy, ensuring that alerting systems remain functional if primary wired connections fail. Replacing these aging units will strengthen system uptime, mitigate the risk of communication outages, and sustain the overall reliability of the Fire Station Alerting system. This funding is offset by a decrease to the Fire Equipment Replacement Sinking Fund Reserve. (Ongoing costs: $0)		
5. Capital Contributions: Fire Station Privacy Enhancements		**570,000**
Public Safety CSA		
This action adds one-time funding of $570,000 to the initial $480,000 allocated within the Fire Construction and Conveyance Tax Fund for fire facilities remediation, to complete the installation of privacy walls across legacy fire stations. Building on earlier accomplishments, including the creation of designated female dorms at Stations 3 and 5, the conversion of open dormitories at Stations 10 and 29, and the installation of six-foot semi-permanent walls at five additional legacy sites, this funding will complete the final upgrades at the remaining legacy sites (Stations 1, 6, 15, and 18). (Ongoing costs: $0)		
6. Capital Contributions: Patty O'Malley Artificial Turf Field Replacement		**1,600,000**
Neighborhood Services CSA		
This action adds one-time funding of $1.6 million to replace two artificial turf fields at Patty O'Malley Sports Field, supplemented by additional funding within the Construction and Conveyance Tax Funds. This action is offset by the partial liquidation of the Artificial Turf Capital Replacement Reserve. (Ongoing costs: $0)		
7. Capital Contributions: Unanticipated/Emergency Maintenance		**(200,000)**
Strategic Support CSA		
This action decreases the ongoing Unanticipated/Emergency Maintenance funding by $200,000, from $1.15 million to $0.95 million, and will reduce the Public Works Department's capacity to provide maintenance related repairs for unanticipated or emergency events. (Ongoing savings: $200,000)		
Subtotal Capital Contributions:	**0.00**	**8,295,000**

Budget Changes by Expense Type

2026-2027 Proposed Budget Changes	Positions	General Fund ($)
Transfers to Other Funds		
1. Transfer to Other Funds: Transfer to Vehicle Maintenance and Operations Fund		**(250,000)**
Strategic Support CSA		
This action decreases the transfer from the General Fund to the Vehicle Maintenance and Operations Fund by $250,000, from $2.0 million to $1.75 million, on an ongoing basis for general fleet replacement. Fleet replacement funding is used to procure new vehicles that meet established replacement criteria based on age, mileage, and condition to maintain a safe and reliable fleet inventory. The Fleet Division currently manages approximately 2,757 vehicles and equipment assets city-wide, with replacement schedules guided by lifecycle standards to balance operational reliability and cost efficiency. Depending on procurement timing and asset condition, this action may delay the replacement of select vehicles within the fleet inventory forecast. Fleet Services will continue to prioritize safety-sensitive and mission-critical vehicles to minimize service disruption. (Ongoing savings: $250,000)		
Subtotal Transfers to Other Funds:	**0.00**	**(250,000)**
Earmarked Reserves		
1. Earmarked Reserves: Children and Youth Services Master Plan Implementation Reserve		**500,000**
Neighborhood Services CSA		
As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action sets aside $500,000 of one-time funding to be allocated as recommended in a forthcoming Manager's Budget Addendum to advance Children and Youth Services Master Plan priorities. (Ongoing costs: $0)		
2. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		**(2,000,000)**
Strategic Support CSA		
This action liquidates the Deferred Infrastructure and Maintenance Reserve that was established in the 2027-2031 General Fund Five-Year Forecast to be allocated to deferred maintenance and technology projects included as part of the 2026-2027 Proposed Budget. (Ongoing savings: $0)		
3. Earmarked Reserves: Essential Services Reserve		**2,000,000**
Strategic Support CSA		
As directed in the Mayor's March Budget Message for Fiscal Year 2026-2027, as approved by the City Council, this action establishes an Essential Services Reserve in the amount of $2.0 million that will be used to support services that are of essential importance to our residents. Services deemed essential by the City Council will be funded with the use of these one-time funds. (Ongoing costs: $0)		

Budget Changes by Expense Type

2026-2027 Proposed Budget Changes	Positions	General Fund ($)
4. Earmarked Reserves: Fire Equipment Replacement Sinking Fund Reserve		**(475,000)**
Public Safety CSA		
This action partially liquidates the Fire Equipment Replacement Sinking Fund Reserve in the amount of $475,000. The reserve was established to set aside funding for fire equipment replacement and upgrade initiatives. These funds will be allocated to procure and install 39 Fire Station Alerting System routers at 37 fire stations. (Ongoing savings: $0)		
5. Earmarked Reserves: New Parks and Recreation Facilities Operations and Maintenance Reserve		**(126,000)**
Neighborhood Services CSA		
This action liquidates the New Parks and Recreation Facilities Operations and Maintenance Reserve established in the 2027-2031 General Fund Five-Year Forecast for projected operations and maintenance expenses of $126,000 related to new and expanded parks and recreation facilities. (Ongoing savings: $233,000)		
6. Earmarked Reserves: New Traffic Infrastructure Assets Operations and Maintenance Reserve		**(105,000)**
Transportation and Aviation Services CSA		
This action liquidates the New Traffic Infrastructure Assets Maintenance and Operations Reserve established in the 2027-2031 General Fund Five-Year Forecast for projected operations and maintenance expenses of $105,000 related to transportation projects included in the Traffic Capital Improvement Program. These funds are allocated for operations and maintenance in the Transportation Department. (Ongoing savings: $108,000)		
7. Earmarked Reserves: Police Department Sworn Backfill Reserve		**5,000,000**
Public Safety CSA		
This action sets aside one-time funding of $5.0 million in the Police Department Sworn Backfill Reserve to provide overtime funding that aims to fill vacant positions with street-ready officers within an average of 90 days and uses dedicated funding to overstaff the Department above authorized sworn staffing levels to get a head start on training recruits so they are street-ready when sworn vacancies occur. It takes approximately 12-14 months for a recruit to complete the academy and field training necessary to be considered street-ready. The funding can be accessed once vacancies drop to a level where overtime expenditures cannot be absorbed by vacancy savings. (Ongoing costs: $0)		

Budget Changes by Expense Type

2026-2027 Proposed Budget Changes	Positions	General Fund ($)
8. Earmarked Reserves: Police Equipment Replacement Sinking Fund Reserve		**(915,000)**
Public Safety CSA		
This action partially liquidates the Police Equipment Replacement Sinking Fund Reserve that was established in the 2027-2031 General Fund Five-Year Forecast to be allocated for equipment replacement and upgrade initiatives included as part of the 2026-2027 Proposed Budget. (Ongoing savings: $0)		
Subtotal Earmarked Reserves:	**0.00**	**3,879,000**
2026-2027 Proposed Budget Changes Total	**0.00**	**11,924,000**

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Community and Economic Development CSA				
Public Safety Capital Program				
Fire Training Center Relocation	2,725	0	0	0
Total Public Safety Capital Pgm.	**$2,725**	**$0**	**$0**	**$0**
Total Community and Economic Development CSA	**$2,725**	**$0**	**$0**	**$0**
Neighborhood Services CSA				
Municipal Improvements Capital Program				
Berryessa Supportive Parking	7,468,365	2,481,000	0	0
Capital Program and Public Works Department Support Service Costs	12,461	0	0	0
Interim Housing - Cerone	9,259,287	2,590,000	0	0
Interim Housing - Cherry Capital Improvements	6,485,008	0	0	0
Interim Housing - Rue Ferrari Expansion	8,984,718	2,703,000	0	0
Interim Housing - Via del Oro	8,685,576	1,657,000	0	0
Total Municipal Improvements Capital Program	**$40,895,415**	**$9,431,000**	**$0**	**$0**
Parks & Community Facilities Dev. Capital Program				
Agnews Property Development	1,518	0	0	0
Almaden Winery Fundraising Feasibility Study	50,000	0	0	0
Chris Hotts Park Playground Renovation	162,204	45,000	0	0
De Anza Park Playground Renovation	193,862	0	0	0
Guadalupe River Park Ranger Station Rehabilitation	55,601	0	0	0
Happy Hollow Park and Zoo Exhibit Improvements	12,278	0	0	0
Patty O'Malley Artificial Turf Field Replacement	0	0	0	1,600,000
Plaza de Cesar Chavez Permanent Stage	0	100,000	0	0
Police Athletic League Stadium Turf Replacement	162,883	2,034,000	0	0
Re-Use Facilities Improvements	101,805	0	0	0
Rose Gardens Improvements	22,679	0	0	0
Vietnamese Cultural Heritage Garden Enhancements	25,928	20,000	0	0
Vietnamese-American Cultural Center Improvements	16,228	40,000	0	0
Vietnamese-American Cultural Center Playground Renovation	79,104	0	0	0
Total Parks & Community Fac. Dev. Capital Pgm.	**$884,090**	**$2,239,000**	**$0**	**$1,600,000**
Total Neighborhood Services CSA	**$41,779,505**	**$11,670,000**	**$0**	**$1,600,000**
Public Safety CSA				
Municipal Improvements Capital Program				
Fire Station Alerting System Network	0	0	0	475,000
Total Municipal Improvements Capital Program	**$0**	**$0**	**$0**	**$475,000**
Public Safety Capital Program				
911 Call Center Upgrades FF&E (Fire)	0	0	0	350,000
911 Call Center Upgrades FF&E (PD)	9,959	3,665,000	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Emergency Operations Center Relocation Capital Contributions	0	200,000	0	0
Fire Apparatus Replacement	4,604,445	5,000,000	4,000,000	4,000,000
Fire Station 32 FF&E	631,775	1,560,000	0	0
Fire Station 8 Furniture, Fixtures, and Equipment	13,544	0	0	0
Fire Station Privacy Enhacements	0	0	0	570,000
Fire Training Center Relocation	595,031	100,000	0	0
Police Training Facility FF&E	0	3,000,000	0	0
Total Public Safety Capital Program	**$5,854,754**	**$13,525,000**	**$4,000,000**	**$4,920,000**
Total Public Safety CSA	**$5,854,754**	**$13,525,000**	**$4,000,000**	**$5,395,000**
Transportation & Aviation Services CSA				
Traffic Capital Program				
Branham Lane Speed Humps	2,992	9,000	0	0
Council District 3 Traffic Calming Enhancements	102,589	0	0	0
Council District 6 Traffic Calming Enhancements	0	54,000	0	0
Coyote Valley Monterey Road Design and Safety Study	0	100,000	0	0
Crosswalk and Safety Improvements on Blossom Hill and Leigh Ave	6,020	0	0	0
Downtown Neighborhoods Traffic Calming	20,000	0	0	0
Electronic Smart Speed Radar Sign on Camden Ave	17,327	0	0	0
Enhanced Crosswalk at Canoas Garden VTA Lot	6,184	40,000	0	0
Enhanced Crosswalk at Leigh Ave and Anne Way	8,156	40,000	0	0
Evergreen Village Square Vibrancy Improvements	0	25,000	0	0
Kooser Road Crosswalk	58,687	0	0	0
Naglee Avenue and Dana Avenue Traffic Signal	93,615	0	0	0
Paso Los Cerritos Speed Mitigation	0	47,936	0	0
Pavement Maintenance Program	255,343	0	0	0
Quick Build Traffic Improvements at Foxworthy Ave and Leigh Ave	599	0	0	0
Radar Display Signs on Payne Ave	119	36,000	0	0
Rose Garden Streetlight Installations	0	44,000	0	0
Safety Improvements at Kooser Road and Darthmouth Drive	0	25,000	0	0
Safety Improvements at Leigh Avenue and Laurinda Drive	0	25,000	0	0
Saratoga Urban Village - Interjurisdictional Transportation Impact Fee Study	0	40,000	0	0
Sideshow Mitigation in District 10	16,690	30,000	0	0
Soundwall at the Bernal Way Terminus	242	0	0	0
Southside Transit Access Study	0	200,000	0	0
Total Traffic Capital Program	**$588,563**	**$715,936**	**$0**	**$0**
Total Transportation & Aviation Services CSA	**$588,563**	**$715,936**	**$0**	**$0**
Strategic Support CSA				
Municipal Improvements Capital Program				
280 Almaden Ave Beautification Improvement Project	285,038	600,000	0	0
4th Street Garage Fire Pump Replacement	88,211	144,000	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
9-1-1 Dispatch Backup Generator Replacements	0	5,000,000	0	3,500,000
African American Community Services Agency Upgrades	9,000	0	0	0
Animal Care and Services - Various Improvements	332,000	250,000	0	0
Arena Repairs	100,001	100,000	100,000	100,000
Capital Program and Public Works Department Support Service Costs	192,513	110,000	80,000	80,000
Center for Performing Arts Chiller, Cooling Tower, and Boilers Replacement	424,713	7,350,000	0	0
Children's Discovery Museum Elevator System	33,916	0	0	0
City Facilities Security Enhancements	800,000	998,000	0	0
City Hall and Police Communications Uninterrupted Power Supply Cap. Maint.	162,130	200,000	200,000	200,000
City Hall Audio/Visual Upgrade	(10)	0	0	0
City Hall Backup Generator Switch Replacement	0	73,000	0	0
City Hall Carpet Replacement	389,001	0	0	0
City Hall Equipment Replacement	16,027	73,000	0	0
City Hall Exterior Restoration	173,520	102,000	0	0
City Hall Fire Alarm Upgrade	100,000	0	0	0
City Hall Garage Pump Replacement	(1,536)	0	0	0
City Hall Office Renovation	530,204	155,000	0	0
City Hall Rehabilitation Projects	265,934	553,000	0	0
City Hall Security Upgrades	98,256	678,000	0	0
City Hall Water Intrusion Remediation	0	0	0	2,000,000
City Hall Waterproofing	51,457	0	0	0
City-wide Building Assessment	141,626	0	0	0
Closed Landfill Compliance	2,398,860	496,000	450,000	450,000
Cultural Facilities Condition Assessment	28,535	0	0	0
Electric Vehicle Charging Site Assessment	185,556	0	0	0
Electric Vehicles Charging Stations for Police Hybrid-Electric Vehicles	110,132	11,000	0	0
Emergency Operations Center Relocation Capital Contributions	16,230	0	0	0
Emergency Power Generation for City Facilities	449,273	719,000	0	0
Facility Lighting Replacement	0	250,000	0	0
Fire Training Center Environmental Monitoring	23,479	0	0	0
Fire Training Center Relocation	175,143	0	0	0
Fleet Shop Improvements	219,854	70,000	0	0
Hammer Theatre Center Boiler Replacement	50,905	26,000	0	0
Hammer Theatre Center Fire Detection Alarm and Devices Design	82,225	17,000	0	0
Hammer Theatre Center HVAC Condensing Unit Replacement	168,000	0	0	0
Hammer Theatre Center Improvements	22,744	0	0	0
History San José - Miscellaneous Repairs	251,283	0	0	0
Ice Centre Expansion Oversight Project	670	90,000	0	0
Kooser Road Crosswalk	(190)	0	0	0
Old Fire Training Center Environmental Cleanup	148,186	0	0	0
Police Administration Building Boiler and Chiller Replacement	406,017	130,000	0	0
Police Administration Building Gate Improvements	124,343	71,000	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Radio Service Monitors	152,919	0	0	0
Radio Systems Upgrade	50,750	0	0	0
Remote Sensing Equipment for Generators	0	112,000	0	0
San José Museum of Art Cooling Tower Replacement	779,582	933,000	0	0
San José Museum of Art Door and Window Improvement	185,982	0	0	0
Schiele Subdivision Historic District Signage	0	40,000	0	0
Sideshow Mitigation in District 10	(277)	0	0	0
The Tech Interactive Controls Module Improvements	628,188	300,000	0	0
The Tech Interactive Corroded HVAC Pipes Remediation	0	1,000,000	0	0
The Tech Interactive Fire Alarm System	67,724	0	0	0
Unanticipated/Emergency Maintenance	2,291,089	1,150,000	1,150,000	950,000
Total Municipal Improvements Capital Program	**$13,209,203**	**$21,801,000**	**$1,980,000**	**$7,280,000**
Total Strategic Support CSA	**$13,209,203**	**$21,801,000**	**$1,980,000**	**$7,280,000**
TOTAL CAPITAL CONTRIBUTIONS	**$61,434,750**	**$47,711,936**	**$5,980,000**	**$14,275,000**

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

Transfers to Other Funds	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Community and Economic Development CSA				
Transfer to the Business Improvement District Fund	15,138	0	0	0
Transfer to the Real Property Transfer Tax Fund	160,539,241	0	0	0
Transfer to the San José Arena Capital Reserve Fund	2,300,000	2,300,000	0	0
Total Community and Economic Development CSA	**$162,854,379**	**$2,300,000**	**$0**	**$0**
Environmental and Utility Services CSA				
Transfer to the Water Utility Fund	38,152	0	0	0
Total Environmental and Utility Services CSA	**$38,152**			
Transportation and Aviation Services CSA				
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	500,000	500,000	450,000	450,000
Transfer to the Downtown Property and Business Improvement District Fund	1,323,969	1,377,030	1,419,278	1,419,278
Transfer to the Maint. District No. 11 (Brokaw - Junction to Old Oakland) Fund	6,354	6,354	6,354	6,354
Transfer to the Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	21,461	21,461	21,461	21,461
Transfer to the Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	8,996	8,996	8,996	8,996
Transfer to the Maint. District No. 22 (Hellyer - Silver Creek Valley) Fund	35,223	35,223	35,223	35,223
Transfer to the Maintenance District No. 15 (Silver Creek Valley) Fund	16,636	16,636	16,636	16,636
Transfer to the Maintenance District No. 19 (River Oaks Area Landscaping) Fund	6,195	6,195	6,195	6,195
Transfer to the Maintenance District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	2,408	2,408	2,408	2,408
Transfer to the Maintenance District No. 8 (Zanker - Montague) Fund	2,353	2,353	2,353	2,353
Transfer to the Maintenance District No. 9 (Santa Teresa - Great Oaks) Fund	23,480	23,480	23,480	23,480
Total Transportation and Aviation Services CSA	**$1,947,075**	**$2,000,136**	**$1,992,384**	**$1,992,384**
Strategic Support CSA				
Transfer to the Alameda Community Benefit Improvement District Fund	0	0	8,450	8,450
Transfer to the City Hall Debt Service Fund	17,731,609	0	0	0
Transfer to the City Hall Debt Service Fund	0	16,662,282	16,693,547	16,693,547
Transfer to the Communications Construction and Conveyance Tax Fund	2,250,000	2,800,000	2,800,000	2,800,000
Transfer to the Community Development Block Grant Fund	2,515,000	0	0	0
Transfer to the Emergency Reserve Fund	0	10,000,000	0	0
Transfer to the Service Yards C&C Tax Fund	0	1,000,000	0	0
Transfer to the Vehicle Maintenance and Operations Fund	1,800,000	1,500,000	2,000,000	1,750,000

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

Transfers to Other Funds	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed
Transfer to the Willow Glen Community Benefit Improvement District Fund	0	16,198	15,913	15,913
Total Strategic Support CSA	**$24,296,609**	**$31,978,480**	**$21,517,910**	**$21,267,910**
TOTAL TRANSFERS TO OTHER FUNDS	**$189,136,215**	**$36,278,616**	**$23,510,294**	**$23,260,294**

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	Type of Reserve*
Community and Economic Development CSA					
Berryessa Flea Market Vendor Business Transition Fund Reserve		1,875,000	0	0	B
Code Enforcement Permit System Reserve		2,336,000	0	0	B
Code Enforcement Re-Engineering Implementation Reserve		0	0	0	C
Development Fee Program Technology Reserve		570,000	0	0	B
Google Community Benefits Reserve		4,800,000	0	0	B
Google Parking Lots Option Payment Reserve		3,800,000	0	0	B
Total Community and Economic Development CSA	**N/A**	**$13,381,000**	**$0**	**$0**	
Neighborhood Services CSA					
Artificial Turf Capital Replacement Reserve		4,441,913	350,000	350,000	C
Children and Youth Services Master Plan Implementation Reserve		0	0	500,000	C
New Parks and Recreation Facilities Operations and Maintenance Reserve		0	126,000	0	C
Total Neighborhood Services CSA	**N/A**	**$4,441,913**	**$476,000**	**$850,000**	
Public Safety CSA					
Fire Equipment Replacement Sinking Fund Reserve		0	500,000	25,000	C
Police Department Sworn Backfill Reserve		5,000,000	0	5,000,000	C
Police Equipment Replacement Sinking Fund Reserve		15,000	1,000,000	85,000	C
Total Public Safety CSA	**N/A**	**$5,015,000**	**$1,500,000**	**$5,110,000**	
Transportation and Aviation Services CSA					
Creative Center for the Arts Parking Reserve		750,000	0	0	C
New Traffic Infrastructure Assets Operations and Maintenance Reserve		0	105,000	0	C
Total Transportation and Aviation Services CSA	**N/A**	**$750,000**	**$105,000**	**$0**	
Strategic Support CSA					
Animal Care and Services Foundation Reserve		100,000	0	0	C
Budget Stabilization Reserve		20,000,000	0	0	A
City Attorney's Office Outside Litigation Reserve		750,000	0	0	C
Cultural Facilities Capital Maintenance Reserve		0	1,250,000	1,250,000	C
Customer Service Vision and Standards Staffing Reserve		1,070,000	0	0	C
Deferred Infrastructure and Maintenance Reserve		0	2,000,000	0	C
Essential Services Reserve		0	0	2,000,000	C
Information Technology Sinking Fund Reserve		8,452,000	0	0	C
Revenue Loss Reserve		140,000,000	0	0	A
Salaries and Benefits Reserve		28,411,453	15,973,203	15,973,203	A,C
Workers Compensation / General Liability Catastrophic Reserve		15,000,000	0	0	A
Total Strategic Support CSA		**$213,783,453**	**$19,223,203**	**$19,223,203**	
TOTAL EARMARKED RESERVES	**N/A**	**$237,371,366**	**$21,304,203**	**$25,183,203**	

Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).
B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).
C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

General Fund Capital, Transfers, Reserves

Expense Type: Contingency Reserve

Detail of Costs Description

Contingency Reserve	2024-2025 Actuals	2025-2026 Adopted	2026-2027 Forecast	2026-2027 Proposed	Type of Reserve*
Strategic Support CSA					
Contingency Reserve		53,000,000	51,000,000	51,000,000	A
Total Strategic Support CSA	**N/A**	**$53,000,000**	**$51,000,000**	**$51,000,000**	
TOTAL CONTINGENCY RESERVE	**N/A**	**$53,000,000**	**$51,000,000**	**$51,000,000**	

Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).
B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).
C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

Affordable Housing Impact Fee Fund (452)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	5,000,000	5,000,000	1,422,328	1,422,328	1,889,545
Reserve for Encumbrances (Source)	4,950,369	4,950,369	4,950,369	4,950,369	4,950,369
Unrestricted Beginning Fund Balance (Source)	3,004,172	418,774	2,080,658	2,080,658	299,999
Total Beginning Fund Balance	12,954,541	10,369,143	8,453,355	8,453,355	7,139,913
Revenue from the Use of Money/Property					
Interest	451,914	250,000	250,000	250,000	250,000
Loan Repayments	272,368	0	0	0	0
Total Revenue from the Use of Money/Property	724,282	250,000	250,000	250,000	250,000
TOTAL SOURCE OF FUNDS	**13,678,823**	**10,619,143**	**8,703,355**	**8,703,355**	**7,389,913**
USE OF FUNDS					
Expenditures					
Housing Loans and Grants	2,000,000	0	1,435,672	1,435,672	0
Housing Personal Services	106,640	111,447	111,447	111,447	113,420
Overhead	13,605	13,933	13,933	13,933	14,843
Total Expenditures	2,120,245	125,380	1,561,052	1,561,052	128,263
Transfers					
Transfer to the City Hall Debt Service Fund	5,223	2,390	2,390	2,390	2,300
Transfer to the Low and Moderate Income Housing Asset Fund	3,100,000	0	0	0	0
Total Transfers	3,105,223	2,390	2,390	2,390	2,300
Ending Fund Balance					
Housing Project Reserve (Use)	1,422,328	5,000,000	1,889,545	1,889,545	1,889,545
Reserve for Encumbrances (Use)	4,950,369	4,950,369	4,950,369	4,950,369	4,950,369
Unrestricted Ending Fund Balance (Use)	2,080,658	541,004	299,999	299,999	419,436
Total Ending Fund Balance	8,453,355	10,491,373	7,139,913	7,139,913	7,259,350
TOTAL USE OF FUNDS	**13,678,823**	**10,619,143**	**8,703,355**	**8,703,355**	**7,389,913**

* Actuals may not subtotal due to rounding.

Airport Customer Facility And Transportation Fee Fund (519)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Coverage Reserve (Source)	2,498,780	2,999,782	2,999,782	2,999,782	3,498,898
Future Debt Service Reserve (Source)	19,460,619	19,955,156	21,136,145	21,136,145	21,997,404
Reserve for Encumbrances (Source)	278,350	278,350	335,111	335,111	335,111
Total Beginning Fund Balance	22,237,749	23,233,288	24,471,038	24,471,038	25,831,413
Revenue from the Use of Money/Property					
Interest	770,762	681,933	681,933	1,260,437	1,470,510
Total Revenue from the Use of Money/Property	770,762	681,933	681,933	1,260,437	1,470,510
Fees, Rates, and Charges					
Customer Transport Fee	17,763,651	16,864,513	16,864,513	16,873,764	16,493,222
Total Fees, Rates, and Charges	17,763,651	16,864,513	16,864,513	16,873,764	16,493,222
Other Revenue					
Miscellaneous	2,479	0	0	0	0
Total Other Revenue	2,479	0	0	0	0
TOTAL SOURCE OF FUNDS	**40,774,641**	**40,779,734**	**42,017,484**	**42,605,239**	**43,795,145**
USE OF FUNDS					
Expenditures					
Airport Non-Personal/Equipment	2,097,040	2,666,733	2,666,733	2,666,733	2,679,733
CFC Audit	7,437	11,500	11,500	11,500	11,500
Operations Contingency	0	100,000	100,000	100,000	100,000
Total Expenditures	2,104,477	2,778,233	2,778,233	2,778,233	2,791,233
Transfers					
Transfer to the Airport Fiscal Agent Fund	11,999,126	13,995,593	13,995,593	13,995,593	14,996,182
Transfer to the Airport Surplus Revenue Fund	2,200,000	0	0	0	0
Total Transfers	14,199,126	13,995,593	13,995,593	13,995,593	14,996,182
Ending Fund Balance					
Debt Service Coverage Reserve (Use)	2,999,782	3,498,898	3,498,898	3,498,898	3,749,046
Future Debt Service Reserve (Use)	21,136,145	20,228,660	21,409,649	21,997,404	21,923,573
Reserve for Encumbrances (Use)	335,111	278,350	335,111	335,111	335,111
Total Ending Fund Balance	24,471,038	24,005,908	25,243,658	25,831,413	26,007,730
TOTAL USE OF FUNDS	**40,774,641**	**40,779,734**	**42,017,484**	**42,605,239**	**43,795,145**

* Actuals may not subtotal due to rounding.

Airport Fiscal Agent Fund (525)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Debt Service Reserve (Source)	75,624,436	80,988,572	75,174,191	75,174,191	79,475,152
Total Beginning Fund Balance	75,624,436	80,988,572	75,174,191	75,174,191	79,475,152
Revenue from the Use of Money/Property					
Interest	3,915,343	4,430,389	4,430,389	4,300,000	4,312,610
Total Revenue from the Use of Money/Property	3,915,343	4,430,389	4,430,389	4,300,000	4,312,610
Financing Proceeds					
Bond Proceeds	76,404,096	0	0	0	0
Total Financing Proceeds	76,404,096	0	0	0	0
Transfers					
Airport Customer Facility and Transportation Fee Fund	11,999,126	13,995,593	13,995,593	13,995,593	14,996,182
Airport Passenger Facility Charge Fund	23,788,473	20,316,000	20,316,000	20,316,000	20,175,000
Airport Revenue Fund	37,873,146	37,306,140	37,306,140	37,306,140	38,129,007
Total Transfers	73,660,745	71,617,733	71,617,733	71,617,733	73,300,189
TOTAL SOURCE OF FUNDS	**229,604,620**	**157,036,694**	**151,222,313**	**151,091,924**	**157,087,951**
USE OF FUNDS					
Expenditures					
Bond Issuance Costs	463,865	0	0	0	0
Principal and Interest Payments	149,311,766	71,616,772	71,616,772	71,616,772	73,299,862
Total Expenditures	149,775,631	71,616,772	71,616,772	71,616,772	73,299,862
Transfers					
Transfer to the Airport Revenue Fund	4,654,798	0	0	0	0
Total Transfers	4,654,798	0	0	0	0
Ending Fund Balance					
Debt Service Reserve (Use)	75,174,191	85,419,922	79,605,541	79,475,152	83,788,089
Total Ending Fund Balance	75,174,191	85,419,922	79,605,541	79,475,152	83,788,089
TOTAL USE OF FUNDS	**229,604,620**	**157,036,694**	**151,222,313**	**151,091,924**	**157,087,951**

* Actuals may not subtotal due to rounding.

Airport Maintenance and Operation Fund (523)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Master Trust Agreement Reserve (Source)	26,906,651	34,202,777	31,147,995	31,147,995	31,153,757
Reserve for Encumbrances (Source)	9,793,632	9,793,632	7,809,152	7,809,152	7,809,152
Workers' Compensation Claims Reserve (Source)	1,425,192	1,425,192	1,573,676	1,573,676	1,573,676
Total Beginning Fund Balance	38,125,475	45,421,601	40,530,823	40,530,823	40,536,585
Transfers					
Airport Revenue Fund	143,684,227	139,639,027	139,639,027	139,639,027	146,760,431
Total Transfers	143,684,227	139,639,027	139,639,027	139,639,027	146,760,431
TOTAL SOURCE OF FUNDS	**181,809,702**	**185,060,628**	**180,169,850**	**180,169,850**	**187,297,016**
USE OF FUNDS					
Expenditures					
Airline Reserve Funds Distribution	16,211,367	0	0	0	0
Airport Non-Personal/Equipment	48,907,617	59,102,392	59,102,392	59,102,392	58,680,539
Airport Personal Services	46,857,452	47,725,576	47,725,576	47,725,576	48,918,859
Annual Audit	79,500	83,033	83,033	83,033	83,033
City Attorney Non-Personal/Equipment	1,028	4,000	4,000	4,000	4,000
City Attorney Personal Services	738,842	755,672	755,672	755,672	699,262
City Manager Non-Personal/Equipment	24,500	24,500	24,500	24,500	24,500
City Manager Personal Services	0	0	0	0	62,651
ITD Non-Personal/Equipment	7,340	7,686	7,686	7,686	7,686
ITD Personal Services	35,291	176,629	176,629	176,629	180,302
Operations Contingency	0	1,500,000	1,500,000	1,500,000	1,500,000
Overhead	6,751,624	7,189,316	7,189,316	7,189,316	6,757,094
PBCE Personal Services	68,196	0	0	0	0
Planning Services	0	100,000	100,000	100,000	100,000
Police Personal Services	129,048	138,880	138,880	138,880	143,133
PRNS Personal Services	63,632	77,119	77,119	77,119	72,351
PW Non-Personal/Equipment	14,000	14,000	14,000	14,000	14,000
PW Personal Services	218,769	233,170	233,170	233,170	215,128
Workers' Compensation Claims	260,463	350,000	350,000	350,000	147,000
Total Expenditures	120,368,669	117,481,973	117,481,973	117,481,973	117,609,538
Transfers					
Transfer to the General Fund - Aircraft Rescue/Fire Fighting Services	9,323,537	9,452,114	9,452,114	9,452,114	8,046,961
Transfer to the General Fund - Police Services	11,586,673	12,699,178	12,699,178	12,699,178	13,874,203
Total Transfers	20,910,210	22,151,292	22,151,292	22,151,292	21,921,164
Ending Fund Balance					

* Actuals may not subtotal due to rounding.

Airport Maintenance and Operation Fund (523)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Master Trust Agreement Reserve (Use)	31,147,995	34,208,539	31,153,757	31,153,757	38,383,486
Reserve for Encumbrances (Use)	7,809,152	9,793,632	7,809,152	7,809,152	7,809,152
Workers' Compensation Claim Reserve (Use)	1,573,676	1,425,192	1,573,676	1,573,676	1,573,676
Total Ending Fund Balance	40,530,823	45,427,363	40,536,585	40,536,585	47,766,314
TOTAL USE OF FUNDS	**181,809,702**	**185,060,628**	**180,169,850**	**180,169,850**	**187,297,016**

* Actuals may not subtotal due to rounding.

Airport Revenue Fund (521)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	123,798,349	141,390,337	143,019,059	143,019,059	157,813,728
Total Beginning Fund Balance	123,798,349	141,390,337	143,019,059	143,019,059	157,813,728
Revenue from Federal Government					
American Rescue Plan Act	10,000,000	0	0	0	0
Total Revenue from Federal Government	10,000,000	0	0	0	0
Fees, Rates, and Charges					
Airfield Area	4,393,739	1,808,927	1,808,927	4,640,602	4,425,623
Landing Fees	36,592,919	37,537,430	37,537,430	35,319,482	37,933,302
Miscellaneous	29,611,905	30,247,858	30,247,858	28,618,602	28,225,245
Parking and Roadway	60,120,366	61,908,231	61,908,231	57,443,061	56,810,878
Petroleum Products	107,460	35,049	35,049	162,615	159,999
Terminal Building	27,714,077	27,634,515	27,634,515	31,542,634	27,233,831
Terminal Rental	82,708,465	79,978,544	79,978,544	72,938,514	79,511,958
Total Fees, Rates, and Charges	241,248,931	239,150,554	239,150,554	230,665,510	234,300,836
Transfers					
Airport Fiscal Agent Fund	4,654,798	0	0	0	0
General Fund	500,000	500,000	500,000	500,000	450,000
Total Transfers	5,154,798	500,000	500,000	500,000	450,000
TOTAL SOURCE OF FUNDS	**380,202,078**	**381,040,891**	**382,669,613**	**374,184,569**	**392,564,564**
USE OF FUNDS					
Transfers					
Transfer to the Airport Fiscal Agent Fund	37,873,146	37,306,140	37,306,140	37,306,140	38,129,007
Transfer to the Airport Maintenance and Operation Fund	143,684,227	139,639,027	139,639,027	139,639,027	146,760,431
Transfer to the Airport Surplus Revenue Fund	55,625,646	35,254,000	39,354,000	39,350,319	30,575,000
Transfer to the General Fund	0	0	75,355	75,355	0
Total Transfers	237,183,019	212,199,167	216,374,522	216,370,841	215,464,438
Ending Fund Balance					
Airline Agreement Reserve (Use)	143,019,059	168,841,724	166,295,091	157,813,728	177,100,126
Total Ending Fund Balance	143,019,059	168,841,724	166,295,091	157,813,728	177,100,126
TOTAL USE OF FUNDS	**380,202,078**	**381,040,891**	**382,669,613**	**374,184,569**	**392,564,564**

* Actuals may not subtotal due to rounding.

Airport Surplus Revenue Fund (524)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Airline Agreement Reserve (Source)	996,981	1,026,911	1,007,622	1,007,622	1,047,144
Total Beginning Fund Balance	996,981	1,026,911	1,007,622	1,007,622	1,047,144
Revenue from the Use of Money/Property					
Interest	35,020	34,274	34,274	39,522	55,177
Total Revenue from the Use of Money/Property	35,020	34,274	34,274	39,522	55,177
Transfers					
Airport Customer Facility and Transportation Fee Fund	2,200,000	0	0	0	0
Airport Revenue Fund	55,625,646	35,254,000	39,354,000	39,350,319	30,575,000
Total Transfers	57,825,646	35,254,000	39,354,000	39,350,319	30,575,000
TOTAL SOURCE OF FUNDS	**58,857,647**	**36,315,185**	**40,395,896**	**40,397,463**	**31,677,321**
USE OF FUNDS					
Expenditures					
Commercial Paper Principal and Interest	10,074,025	4,200,000	9,300,000	9,296,319	4,300,000
Total Expenditures	10,074,025	4,200,000	9,300,000	9,296,319	4,300,000
Transfers					
Transfer to the Airport Renewal and Replacement Fund	47,776,000	31,054,000	30,054,000	30,054,000	26,275,000
Total Transfers	47,776,000	31,054,000	30,054,000	30,054,000	26,275,000
Ending Fund Balance					
Airline Agreement Reserve (Use)	1,007,622	1,061,185	1,041,896	1,047,144	1,102,321
Total Ending Fund Balance	1,007,622	1,061,185	1,041,896	1,047,144	1,102,321
TOTAL USE OF FUNDS	**58,857,647**	**36,315,185**	**40,395,896**	**40,397,463**	**31,677,321**

* Actuals may not subtotal due to rounding.

Alameda Community Benefit Improvement District Fund (342)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Special Assessments					
Alameda CBID Assessment	0	0	319,527	319,527	320,403
Total Special Assessments	0	0	319,527	319,527	320,403
Transfers					
General Fund	0	0	8,450	8,450	8,450
Total Transfers	0	0	8,450	8,450	8,450
TOTAL SOURCE OF FUNDS	**0**	**0**	**327,977**	**327,977**	**328,853**
USE OF FUNDS					
Expenditures					
Administration Services	0	0	15,000	15,000	15,000
Alameda Community Benefit Improvement District	0	0	312,977	312,977	313,853
Total Expenditures	0	0	327,977	327,977	328,853
TOTAL USE OF FUNDS	**0**	**0**	**327,977**	**327,977**	**328,853**

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,361	2,361	4,545	4,545	4,545
Unrestricted Beginning Fund Balance (Source)	1,160,868	1,478,432	1,413,532	1,413,532	414,924
Total Beginning Fund Balance	1,163,229	1,480,793	1,418,077	1,418,077	419,469
Other Revenue					
Flexible Spending Accounts Forfeitures	14,273	0	0	0	0
Miscellaneous Revenue	228,107	0	0	0	0
Contractual Performance Guarantee Penalties	116,153	0	0	0	0
Total Other Revenue	358,533	0	0	0	0
Transfers					
401(a) Defined Contribution Retirement Plan	371,714	407,000	407,000	366,000	388,000
Benefits Administration Fee	2,124,184	2,211,000	2,211,000	2,204,000	2,235,000
Employee Assistance Program	761,856	870,000	870,000	807,000	921,000
FICA - Medicare	14,007,230	15,124,000	15,124,000	14,845,000	15,736,000
General Employee Vision	395,557	423,000	423,000	401,000	418,000
General Purpose Parking Fund	2,435	2,000	2,000	3,000	3,000
Health Plans	83,336,767	95,313,000	95,313,000	90,340,000	101,207,000
MEF Legal	94,327	97,000	97,000	93,000	97,000
PTC 457	1,422,656	1,595,000	1,595,000	1,488,000	1,578,000
Total Transfers	102,516,726	116,042,000	116,042,000	110,547,000	122,583,000
TOTAL SOURCE OF FUNDS	**104,038,488**	**117,522,793**	**117,460,077**	**111,965,077**	**123,002,469**
USE OF FUNDS					
Expenditures					
401(a) Defined Contribution Retirement Plan	371,714	407,000	407,000	366,000	388,000
Benefits Consultant Fee	267,685	280,000	280,000	275,000	289,000
Employee Assistance Program	727,525	870,000	870,000	807,000	921,000
FICA-Medicare	14,005,492	15,124,000	15,124,000	14,845,000	15,736,000
General Employee Vision	396,600	423,000	423,000	401,000	418,000
Health Plans	83,646,799	95,313,000	95,313,000	90,340,000	101,207,000
Healthcare Incentive Program	173,153	380,000	521,274	521,274	0
HR Non-Personal/Equipment	8,604	25,000	25,000	25,000	25,000
HR Personal Services	1,105,785	1,336,060	1,336,060	1,336,000	1,377,349
MEF Legal	94,325	97,000	97,000	93,000	97,000
Overhead	299,552	315,131	315,131	315,131	304,089
PTC 457	1,422,656	1,595,000	1,595,000	1,488,000	1,578,000
Wellness Program	57,637	450,000	692,470	692,470	0
Total Expenditures	102,577,527	116,615,191	116,998,935	111,504,875	122,340,438

* Actuals may not subtotal due to rounding.

Benefits Funds - Benefit Fund (160)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	42,884	40,733	40,733	40,733	52,123
Total Transfers	42,884	40,733	40,733	40,733	52,123
Ending Fund Balance					
Reserve for Encumbrances (Use)	4,545	2,361	4,545	4,545	4,545
Unrestricted Ending Fund Balance (Use)	1,413,532	864,508	415,864	414,924	605,363
Total Ending Fund Balance	1,418,077	866,869	420,409	419,469	609,908
TOTAL USE OF FUNDS	**104,038,488**	**117,522,793**	**117,460,077**	**111,965,077**	**123,002,469**

* Actuals may not subtotal due to rounding.

Benefits Funds - Dental Insurance Fund (155)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Dental Claims Reserve (Source)	1,425,000	1,520,000	1,520,000	1,520,000	1,550,000
Reserve for Encumbrances (Source)	11,700	11,700	11,700	11,700	11,700
Unrestricted Beginning Fund Balance (Source)	2,388,841	2,602,096	1,952,617	1,952,617	1,396,963
Total Beginning Fund Balance	3,825,541	4,133,796	3,484,317	3,484,317	2,958,663
Revenue from the Use of Money/Property					
Interest	133,618	133,000	133,000	133,000	133,000
Total Revenue from the Use of Money/Property	133,618	133,000	133,000	133,000	133,000
Fees, Rates, and Charges					
Participant Contributions (Employees)	330,632	345,000	345,000	337,000	364,000
Total Fees, Rates, and Charges	330,632	345,000	345,000	337,000	364,000
Transfers					
COBRA Revenue	13,269	10,000	10,000	17,000	17,000
Reimbursement from City Funds	6,012,013	6,175,000	6,175,000	6,072,000	6,107,000
Reimbursement from Retirement Funds	6,464,540	6,505,000	6,505,000	6,466,000	6,307,000
Total Transfers	12,489,822	12,690,000	12,690,000	12,555,000	12,431,000
TOTAL SOURCE OF FUNDS	**16,779,613**	**17,301,796**	**16,652,317**	**16,509,317**	**15,886,663**
USE OF FUNDS					
Expenditures					
Dental HMO Plan	340,931	320,000	343,000	323,000	343,000
HR Non-Personal/Equipment	636,790	660,200	673,200	663,300	660,200
HR Personal Services	163,844	244,930	240,930	238,000	254,335
Overhead	52,931	56,929	56,929	56,929	57,197
Payment of Claims	12,092,986	12,362,000	12,362,000	12,262,000	12,609,000
Total Expenditures	13,287,482	13,644,059	13,676,059	13,543,229	13,923,732
Transfers					
Transfer to the City Hall Debt Service Fund	7,814	7,425	7,425	7,425	10,765
Total Transfers	7,814	7,425	7,425	7,425	10,765
Ending Fund Balance					
Dental Claims Reserve (Use)	1,520,000	1,550,000	1,550,000	1,550,000	1,576,000
Reserve for Encumbrances (Use)	11,700	11,700	11,700	11,700	11,700
Unrestricted Ending Fund Balance (Use)	1,952,617	2,088,612	1,407,133	1,396,963	364,466
Total Ending Fund Balance	3,484,317	3,650,312	2,968,833	2,958,663	1,952,166
TOTAL USE OF FUNDS	**16,779,613**	**17,301,796**	**16,652,317**	**16,509,317**	**15,886,663**

* Actuals may not subtotal due to rounding.

Benefits Funds - Life Insurance Fund (156)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	523,341	678,781	672,796	672,796	565,879
Total Beginning Fund Balance	523,341	678,781	672,796	672,796	565,879
Revenue from the Use of Money/Property					
Interest	20,312	19,000	19,000	19,000	19,000
Total Revenue from the Use of Money/Property	20,312	19,000	19,000	19,000	19,000
Fees, Rates, and Charges					
Participant Contributions (Employees)	519,498	548,000	548,000	491,000	493,000
Total Fees, Rates, and Charges	519,498	548,000	548,000	491,000	493,000
Other Revenue					
Administration Fee	232,289	0	0	0	0
Participant Contributions (Retirees)	467,856	467,000	481,000	483,000	488,000
Participant Fee	11,627	0	0	11,000	0
Total Other Revenue	711,772	467,000	481,000	494,000	488,000
Transfers					
Reimbursement from City Funds	1,001,366	1,008,000	1,030,500	1,040,000	1,053,000
Total Transfers	1,001,366	1,008,000	1,030,500	1,040,000	1,053,000
TOTAL SOURCE OF FUNDS	**2,776,289**	**2,720,781**	**2,751,296**	**2,716,796**	**2,618,879**
USE OF FUNDS					
Expenditures					
HR Non-Personal/Equipment	0	2,140	2,140	2,140	2,140
HR Personal Services	82,074	90,216	90,216	90,000	92,750
Life Insurance Premiums	1,995,859	2,023,000	2,059,500	2,034,000	2,033,000
Overhead	22,439	21,812	21,812	21,812	20,527
Total Expenditures	2,100,372	2,137,168	2,173,668	2,147,952	2,148,417
Transfers					
Transfer to the City Hall Debt Service Fund	3,121	2,965	2,965	2,965	3,403
Total Transfers	3,121	2,965	2,965	2,965	3,403
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	672,796	580,648	574,663	565,879	467,059
Total Ending Fund Balance	672,796	580,648	574,663	565,879	467,059
TOTAL USE OF FUNDS	**2,776,289**	**2,720,781**	**2,751,296**	**2,716,796**	**2,618,879**

* Actuals may not subtotal due to rounding.

Benefits Funds - Unemployment Insurance Fund (157)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unemployment Insurance Claims Reserve (Source)	500,000	500,000	500,000	500,000	500,000
Unrestricted Beginning Fund Balance (Source)	472,110	456,762	439,509	439,509	455,726
Total Beginning Fund Balance	972,110	956,762	939,509	939,509	955,726
Revenue from the Use of Money/Property					
Interest	33,097	35,000	35,000	35,000	35,000
Total Revenue from the Use of Money/Property	33,097	35,000	35,000	35,000	35,000
Transfers					
Reimbursement from City Funds	653,352	605,000	605,000	680,000	650,000
Total Transfers	653,352	605,000	605,000	680,000	650,000
TOTAL SOURCE OF FUNDS	**1,658,559**	**1,596,762**	**1,579,509**	**1,654,509**	**1,640,726**
USE OF FUNDS					
Expenditures					
HR Non-Personal/Equipment	7,004	13,604	29,604	29,600	13,604
HR Personal Services	99,876	101,883	85,883	87,200	99,215
Overhead	23,982	24,841	24,841	24,841	23,397
Payment of Claims	583,822	605,000	605,000	553,000	650,000
Total Expenditures	714,684	745,328	745,328	694,641	786,216
Transfers					
Transfer to the City Hall Debt Service Fund	4,366	4,142	4,142	4,142	4,786
Total Transfers	4,366	4,142	4,142	4,142	4,786
Ending Fund Balance					
Unemployment Insurance Claims Reserve (Use)	500,000	500,000	500,000	500,000	500,000
Unrestricted Ending Fund Balance (Use)	439,509	347,292	330,039	455,726	349,724
Total Ending Fund Balance	939,509	847,292	830,039	955,726	849,724
TOTAL USE OF FUNDS	**1,658,559**	**1,596,762**	**1,579,509**	**1,654,509**	**1,640,726**

* Actuals may not subtotal due to rounding.

Building Development Fee Program Fund (237)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	290,633	290,633	276,504	276,504	276,504
Unrestricted Beginning Fund Balance (Source)	35,263,128	30,347,971	30,093,795	30,093,795	34,414,894
Total Beginning Fund Balance	35,553,761	30,638,604	30,370,299	30,370,299	34,691,398
Licenses and Permits					
Building Development Program Fees	35,004,126	39,631,127	39,631,127	45,997,227	39,187,258
Total Licenses and Permits	35,004,126	39,631,127	39,631,127	45,997,227	39,187,258
Revenue from the Use of Money/Property					
Interest	1,250,430	600,000	600,000	1,250,000	1,000,000
Total Revenue from the Use of Money/Property	1,250,430	600,000	600,000	1,250,000	1,000,000
TOTAL SOURCE OF FUNDS	**71,808,317**	**70,869,731**	**70,601,426**	**77,617,526**	**74,878,656**
USE OF FUNDS					
Expenditures					
Building Development Fee Program - Non-Personal/Equipment (PBCE)	827,759	1,639,469	1,639,469	1,450,000	1,660,469
Building Development Fee Program - Personal Services (OED)	59,655	61,162	61,162	73,508	62,765
Building Development Fee Program - Personal Services (PBCE)	31,635,656	35,102,167	35,102,167	32,344,988	35,452,229
Building Development Fee Program - Personal Services (PW)	60,218	63,305	63,305	68,071	64,412
City Attorney Personal Services	661	0	0	0	0
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	322,638	609,815	609,815	303,519	407,465
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	210,359	585,024	668,064	290,086	531,813
Development Fee Program - Shared Resources Personal Services (Finance)	74,970	82,825	82,825	85,493	86,994
Development Fee Program - Shared Resources Personal Services (HR)	35,814	35,354	35,354	34,461	35,514
Development Fee Program - Shared Resources Personal Services (ITD)	1,479,269	1,616,713	1,616,713	1,573,480	1,595,254
Development Fee Program - Shared Resources Personal Services (PBCE)	1,092,425	1,285,958	1,285,958	1,259,459	1,094,813
HR Personal Services	0	0	0	0	131,656
Overhead	4,670,481	5,023,070	5,023,070	4,538,298	5,271,588
Total Expenditures	40,469,905	46,104,862	46,187,902	42,021,363	46,394,972

* Actuals may not subtotal due to rounding.

Building Development Fee Program Fund (237)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	968,113	904,765	904,765	904,765	992,554
Total Transfers	968,113	904,765	904,765	904,765	992,554
Ending Fund Balance					
Reserve for Encumbrances (Use)	276,504	290,633	276,504	276,504	276,504
Unrestricted Ending Fund Balance (Use)	30,093,795	23,569,471	23,232,255	34,414,894	27,214,626
Total Ending Fund Balance	30,370,299	23,860,104	23,508,759	34,691,398	27,491,130
TOTAL USE OF FUNDS	**71,808,317**	**70,869,731**	**70,601,426**	**77,617,526**	**74,878,656**

* Actuals may not subtotal due to rounding.

Building Homes and Jobs Act Fund (456)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	0	859,946	859,946	859,946
Unrestricted Beginning Fund Balance (Source)	456,485	362,065	(297,892)	(297,892)	545,634
Total Beginning Fund Balance	456,485	362,065	562,054	562,054	1,405,580
Revenue from the Use of Money/Property					
Interest	279,784	15,000	15,000	75,000	50,000
Total Revenue from the Use of Money/Property	279,784	15,000	15,000	75,000	50,000
Revenue from State of California					
Grant Revenue	12,702,634	0	1,367,613	1,367,613	2,066,813
Total Revenue from State of California	12,702,634	0	1,367,613	1,367,613	2,066,813
TOTAL SOURCE OF FUNDS	**13,438,903**	**377,065**	**1,944,667**	**2,004,667**	**3,522,393**
USE OF FUNDS					
Expenditures					
Housing Personal Services	18,565	52,113	52,113	52,113	69,126
Housing Shelter	12,850,487	0	532,274	532,274	2,000,000
Overhead	5,294	14,700	14,700	14,700	21,395
Total Expenditures	12,874,346	66,813	599,087	599,087	2,090,521
Transfers					
Transfer to the City Hall Debt Service Fund	2,503	0	0	0	0
Total Transfers	2,503	0	0	0	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	859,946	0	859,946	859,946	859,946
Unrestricted Ending Fund Balance (Use)	(297,892)	310,252	485,634	545,634	571,926
Total Ending Fund Balance	562,054	310,252	1,345,580	1,405,580	1,431,872
TOTAL USE OF FUNDS	**13,438,903**	**377,065**	**1,944,667**	**2,004,667**	**3,522,393**

* Actuals may not subtotal due to rounding.

Business Improvement District Fund (351)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Downtown BID Reserve (Source)	119,949	0	177,762	177,762	0
Hotel BID Reserve (Source)	437,792	0	449,174	449,174	0
Japantown BID Reserve (Source)	17,366	0	19,433	19,433	0
Monterey BID Reserve (Source)	0	0	257,654	257,654	0
Tully/Eastridge BID Reserve (Source)	0	0	134,465	134,465	0
Willow Glen CBID Reserve (Source)	13,456	0	17,642	17,642	0
Total Beginning Fund Balance	588,563	0	1,056,130	1,056,130	0
Revenue from the Use of Money/Property					
Interest	14,970	0	0	0	0
Total Revenue from the Use of Money/Property	14,970	0	0	0	0
Special Assessments					
Downtown BID Assessment	621,283	600,000	600,000	600,000	625,000
Hotel Benefit Assessment	2,878,862	3,102,000	3,102,000	3,102,000	4,164,327
Japantown Benefit Assessment	33,756	28,575	28,575	28,575	28,575
Monterey Corridor BID Assessment	362,699	252,000	352,000	252,000	252,000
The Alameda BID Assessment	0	0	0	38,925	195,000
Tully Road Eastridge BID Assessment	176,165	108,000	148,000	148,000	160,000
Willow Glen CBID Assessment	434,410	0	0	0	0
Total Special Assessments	4,507,175	4,090,575	4,230,575	4,169,500	5,424,902
Transfers					
General Fund	15,138	0	0	0	0
Total Transfers	15,138	0	0	0	0
TOTAL SOURCE OF FUNDS	**5,125,846**	**4,090,575**	**5,286,705**	**5,225,630**	**5,424,902**
USE OF FUNDS					
Expenditures					
Administration Services	12,256	0	0	4,389	6,070
Downtown Business Improvement District	565,534	600,000	777,762	777,762	625,000
Hotel Business Improvement District	2,877,043	3,102,000	3,551,174	3,551,174	4,164,327
Japantown Business Improvement District	31,801	28,575	48,008	48,008	28,575
Monterey Corridor Business Improvement District	106,250	252,000	609,654	507,134	249,480
The Alameda Business Improvement District	0	0	0	38,536	193,050
Tully Road Eastridge Business Improvement District	42,285	108,000	282,465	280,985	158,400
Willow Glen Community Benefit Improvement District	434,547	0	0	0	0
Total Expenditures	4,069,716	4,090,575	5,269,063	5,207,988	5,424,902

* Actuals may not subtotal due to rounding.

Business Improvement District Fund (351)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Transfer to the Willow Glen Community Benefit Improvement District Fund	0	0	17,642	17,642	0
Total Transfers	0	0	17,642	17,642	0
Ending Fund Balance					
Downtown BID Reserve (Use)	177,762	0	0	0	0
Hotel BID Reserve (Use)	449,174	0	0	0	0
Japantown BID Reserve (Use)	19,433	0	0	0	0
Monterey BID Reserve (Use)	257,654	0	0	0	0
Tully/Eastridge BID Reserve (Use)	134,465	0	0	0	0
Willow Glen CBID Reserve (Use)	17,642	0	0	0	0
Total Ending Fund Balance	1,056,130	0	0	0	0
TOTAL USE OF FUNDS	**5,125,846**	**4,090,575**	**5,286,705**	**5,225,630**	**5,424,902**

* Actuals may not subtotal due to rounding.

Cash Reserve Fund (002)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	6,521	6,716	6,748	6,748	6,988
Total Beginning Fund Balance	6,521	6,716	6,748	6,748	6,988
Revenue from the Use of Money/Property					
Interest	227	150	150	240	200
Total Revenue from the Use of Money/Property	227	150	150	240	200
TOTAL SOURCE OF FUNDS	**6,748**	**6,866**	**6,898**	**6,988**	**7,188**
USE OF FUNDS					
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	6,748	6,866	6,898	6,988	7,188
Total Ending Fund Balance	6,748	6,866	6,898	6,988	7,188
TOTAL USE OF FUNDS	**6,748**	**6,866**	**6,898**	**6,988**	**7,188**

* Actuals may not subtotal due to rounding.

Citywide Planning Fee Program Fund (239)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
General Plan Update Reserve (Source)	0	0	0	0	375,000
Reserve for Encumbrances (Source)	464,619	464,619	160,754	160,754	160,754
Unrestricted Beginning Fund Balance (Source)	4,673,983	3,310,543	4,215,738	4,215,738	3,507,371
Total Beginning Fund Balance	5,138,602	3,775,162	4,376,492	4,376,492	4,043,125
Revenue from the Use of Money/Property					
Interest	166,990	90,000	90,000	162,441	120,000
Total Revenue from the Use of Money/Property	166,990	90,000	90,000	162,441	120,000
Fees, Rates, and Charges					
Citywide Planning Program Fees	3,839,452	3,801,024	3,801,024	4,516,337	4,341,633
Total Fees, Rates, and Charges	3,839,452	3,801,024	3,801,024	4,516,337	4,341,633
TOTAL SOURCE OF FUNDS	**9,145,044**	**7,666,186**	**8,267,516**	**9,055,270**	**8,504,758**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	75,000	77,843	77,843	76,383	74,799
Citywide Planning Fee - Non-Personal/Equipment (PBCE)	409,233	1,297,357	1,297,357	1,130,000	897,357
Citywide Planning Fee - Personal Services (PBCE)	2,820,413	3,092,555	3,092,555	2,826,890	3,242,672
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	75,372	40,300	40,300	32,369	40,300
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	5,503	12,784	19,704	5,000	12,784
Development Fee Program - Shared Resources Personal Services (ITD)	244,891	133,384	133,384	127,578	130,595
Development Fee Program - Shared Resources Personal Services (PBCE)	174,548	52,468	52,468	49,789	51,864
Overhead	815,726	633,291	633,291	594,193	697,076
PW Personal Services	58,363	70,345	70,345	75,092	72,480
Total Expenditures	4,679,049	5,410,327	5,417,247	4,917,294	5,219,927
Transfers					
Transfer to the City Hall Debt Service Fund	89,503	94,851	94,851	94,851	99,368
Total Transfers	89,503	94,851	94,851	94,851	99,368
Ending Fund Balance					
General Plan Update Reserve (Use)	0	375,000	375,000	375,000	375,000
Reserve for Encumbrances (Use)	160,754	464,619	160,754	160,754	160,754
Unrestricted Ending Fund Balance (Use)	4,215,738	1,321,389	2,219,664	3,507,371	2,649,709

* Actuals may not subtotal due to rounding.

Citywide Planning Fee Program Fund (239)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Total Ending Fund Balance	4,376,492	2,161,008	2,755,418	4,043,125	3,185,463
TOTAL USE OF FUNDS	**9,145,044**	**7,666,186**	**8,267,516**	**9,055,270**	**8,504,758**

* Actuals may not subtotal due to rounding.

City Hall Debt Service Fund (210)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	4,000	4,000	0	0	0
Unrestricted Beginning Fund Balance (Source)	2,110,118	2,037,028	2,335,323	2,335,323	998,295
Total Beginning Fund Balance	2,114,118	2,041,028	2,335,323	2,335,323	998,295
Revenue from the Use of Money/Property					
Interest	389,424	250,000	250,000	950,000	250,000
Total Revenue from the Use of Money/Property	389,424	250,000	250,000	950,000	250,000
Transfers					
Capital Funds	2,051,000	1,794,000	1,794,000	1,794,000	1,946,000
General Fund	17,731,609	16,662,282	16,662,282	16,662,282	16,693,547
Special Funds	5,095,298	4,461,690	4,461,690	4,461,690	5,022,158
Total Transfers	24,877,907	22,917,972	22,917,972	22,917,972	23,661,705
TOTAL SOURCE OF FUNDS	**27,381,449**	**25,209,000**	**25,503,295**	**26,203,295**	**24,910,000**
USE OF FUNDS					
Expenditures					
City Hall Debt Service	23,173,935	23,203,000	23,203,000	23,203,000	23,200,000
City Hall Garage Debt Service	1,872,191	2,002,000	2,002,000	2,002,000	1,710,000
Total Expenditures	25,046,126	25,205,000	25,205,000	25,205,000	24,910,000
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	4,000	0	0	0
Unrestricted Ending Fund Balance (Use)	2,335,323	0	298,295	998,295	0
Total Ending Fund Balance	2,335,323	4,000	298,295	998,295	0
TOTAL USE OF FUNDS	**27,381,449**	**25,209,000**	**25,503,295**	**26,203,295**	**24,910,000**

* Actuals may not subtotal due to rounding.

Community Development Block Grant Fund (441)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
CDBG Compliance Reserve (Source)	0	2,515,000	2,515,000	2,515,000	2,515,000
Reserve for Encumbrances (Source)	4,542,153	4,542,153	3,209,826	3,209,826	3,209,826
Unrestricted Beginning Fund Balance (Source)	7,324,347	5,211,442	8,937,978	8,937,978	3,008,226
Total Beginning Fund Balance	11,866,500	12,268,595	14,662,804	14,662,804	8,733,052
Revenue from the Use of Money/Property					
Housing Rehab Loan Repayments	275,234	100,000	100,000	100,000	100,000
Other Loan Repayments	87,103	100,000	100,000	100,000	50,000
Total Revenue from the Use of Money/Property	362,337	200,000	200,000	200,000	150,000
Revenue from Federal Government					
Coronavirus Aid, Relief, and Economic Security (CARES) Act	107,914	0	0	0	0
CDBG Grant Entitlement	7,883,402	7,489,232	7,836,902	7,836,902	7,445,057
Total Revenue from Federal Government	7,991,316	7,489,232	7,836,902	7,836,902	7,445,057
Transfers					
General Fund	2,515,000	0	0	0	0
Total Transfers	2,515,000	0	0	0	0
TOTAL SOURCE OF FUNDS	**22,735,153**	**19,957,827**	**22,699,706**	**22,699,706**	**16,328,109**
USE OF FUNDS					
Expenditures					
Code Enforcement Operations	908,636	1,002,272	1,273,703	1,273,703	929,440
Community Development Block Grant CV3	100,301	0	0	0	0
Contractual Community Services	851,783	1,123,385	1,175,535	1,175,535	1,139,258
Housing Emergency and Minor Repair Program	1,842,666	0	0	0	0
Housing Program Development and Monitoring	1,607,418	1,259,956	1,348,667	1,348,667	1,195,516
Housing Rehabilitation Loans and Grants	188,034	0	0	0	0
Legal Aid Fair Housing Program	377,600	200,000	200,000	200,000	145,956
Legal Services	63,106	76,925	76,925	76,925	69,482
Microenterprise Loans	1,005,535	1,048,394	1,048,394	1,048,394	1,500,000
Neighborhood Infrastructure Improvements	1,089,353	2,626,635	6,849,610	6,849,610	0
Planning Studies	26,766	35,833	35,833	35,833	33,860
Public Works Neighborhood Infrastructure Improvements	0	0	260,000	260,000	0
Transportation Neighborhood Infrastructure Improvements	11,151	211,759	1,697,987	1,697,987	214,638
Total Expenditures	8,072,349	7,585,159	13,966,654	13,966,654	5,228,150

* Actuals may not subtotal due to rounding.

Community Development Block Grant Fund (441)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Ending Fund Balance					
CDBG Compliance Reserve (Use)	2,515,000	2,515,000	2,515,000	2,515,000	2,515,000
Reserve for Encumbrances (Use)	3,209,826	4,542,153	3,209,826	3,209,826	3,209,826
Unrestricted Ending Fund Balance (Use)	8,937,978	5,315,515	3,008,226	3,008,226	5,375,133
Total Ending Fund Balance	14,662,804	12,372,668	8,733,052	8,733,052	11,099,959
TOTAL USE OF FUNDS	**22,735,153**	**19,957,827**	**22,699,706**	**22,699,706**	**16,328,109**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	635,205	34,425	(1,197)	(1,197)	(1,197)
Unrestricted Beginning Fund Balance (Source)	34,425	720,860	520,984	520,984	510,133
Total Beginning Fund Balance	669,630	755,285	519,787	519,787	508,936
Revenue from the Use of Money/Property					
Interest	20,631	11,000	11,000	17,000	15,000
Total Revenue from the Use of Money/Property	20,631	11,000	11,000	17,000	15,000
Special Assessments					
Special Assessments Revenue	26,393	229,600	229,600	229,600	250,200
Total Special Assessments	26,393	229,600	229,600	229,600	250,200
TOTAL SOURCE OF FUNDS	**716,654**	**995,885**	**760,387**	**766,387**	**774,136**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	95,592	125,250	125,250	125,250	135,250
DOT Personal Services	80,225	137,081	137,081	97,000	141,544
Overhead	21,050	35,201	35,201	35,201	32,799
Total Expenditures	196,867	297,532	297,532	257,451	309,593
Ending Fund Balance					
Reserve for Encumbrances (Use)	(1,197)	34,425	(1,197)	(1,197)	(1,197)
Unrestricted Ending Fund Balance (Use)	520,984	663,928	464,052	510,133	465,740
Total Ending Fund Balance	519,787	698,353	462,855	508,936	464,543
TOTAL USE OF FUNDS	**716,654**	**995,885**	**760,387**	**766,387**	**774,136**

* Actuals may not subtotal due to rounding.

Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	792,042	345,914	342,211	342,211	337,390
Total Beginning Fund Balance	792,042	345,914	342,211	342,211	337,390
Revenue from the Use of Money/Property					
Interest	6,024	5,000	5,000	2,000	2,000
Total Revenue from the Use of Money/Property	6,024	5,000	5,000	2,000	2,000
Special Assessments					
Special Assessments Revenue	1,983,554	2,037,900	2,037,900	2,037,900	2,084,600
Total Special Assessments	1,983,554	2,037,900	2,037,900	2,037,900	2,084,600
TOTAL SOURCE OF FUNDS	**2,781,620**	**2,388,814**	**2,385,111**	**2,382,111**	**2,423,990**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	1,750,141	1,619,800	1,619,800	1,619,800	1,826,800
DOT Personal Services	520,820	365,759	365,759	315,000	361,614
Overhead	164,935	106,567	106,567	106,567	96,754
Total Expenditures	2,435,896	2,092,126	2,092,126	2,041,367	2,285,168
Transfers					
Transfer to the City Hall Debt Service Fund	3,513	3,354	3,354	3,354	2,885
Total Transfers	3,513	3,354	3,354	3,354	2,885
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	342,211	293,334	289,631	337,390	135,937
Total Ending Fund Balance	342,211	293,334	289,631	337,390	135,937
TOTAL USE OF FUNDS	**2,781,620**	**2,388,814**	**2,385,111**	**2,382,111**	**2,423,990**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 8 (Communications Hill) Fund (373)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	11,692	11,692	22,142	22,142	22,142
Unrestricted Beginning Fund Balance (Source)	646,456	653,795	846,416	846,416	894,453
Total Beginning Fund Balance	658,148	665,487	868,558	868,558	916,595
Revenue from the Use of Money/Property					
Interest	19,531	13,000	13,000	20,000	22,000
Total Revenue from the Use of Money/Property	19,531	13,000	13,000	20,000	22,000
Other Revenue					
Miscellaneous	38,745	0	0	0	0
Total Other Revenue	38,745	0	0	0	0
Special Assessments					
Special Assessments Revenue	1,416,118	1,578,800	1,578,800	1,578,800	1,811,900
Total Special Assessments	1,416,118	1,578,800	1,578,800	1,578,800	1,811,900
TOTAL SOURCE OF FUNDS	**2,132,542**	**2,257,287**	**2,460,358**	**2,467,358**	**2,750,495**
USE OF FUNDS					
Expenditures					
Community Facilities District No. 8 Annexation Feasibility Project	10,062	0	28,683	28,683	0
DOT Non-Personal/Equipment	701,941	799,880	799,880	799,880	870,880
DOT Personal Services	352,769	443,099	443,099	443,099	462,145
Overhead	105,648	127,976	127,976	127,976	119,198
Security Services	92,429	150,000	150,000	150,000	150,000
Total Expenditures	1,262,849	1,520,955	1,549,638	1,549,638	1,602,223
Transfers					
Transfer to the City Hall Debt Service Fund	1,135	1,125	1,125	1,125	1,405
Total Transfers	1,135	1,125	1,125	1,125	1,405
Ending Fund Balance					
Reserve for Encumbrances (Use)	22,142	11,692	22,142	22,142	22,142
Unrestricted Ending Fund Balance (Use)	846,416	723,515	887,453	894,453	1,124,725
Total Ending Fund Balance	868,558	735,207	909,595	916,595	1,146,867
TOTAL USE OF FUNDS	**2,132,542**	**2,257,287**	**2,460,358**	**2,467,358**	**2,750,495**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	115,413	143,818	173,619	173,619	138,166
Total Beginning Fund Balance	115,413	143,818	173,619	173,619	138,166
Revenue from the Use of Money/Property					
Interest	4,257	1,000	1,000	5,000	5,500
Total Revenue from the Use of Money/Property	4,257	1,000	1,000	5,000	5,500
Other Revenue					
Miscellaneous	38,745	0	0	0	0
Total Other Revenue	38,745	0	0	0	0
Special Assessments					
Special Assessments Revenue	54,781	56,800	56,800	56,800	99,500
Total Special Assessments	54,781	56,800	56,800	56,800	99,500
TOTAL SOURCE OF FUNDS	**213,196**	**201,618**	**231,419**	**235,419**	**243,166**
USE OF FUNDS					
Expenditures					
Community Facilities District No. 11 Annexation Feasibility Project	10,009	0	28,737	28,737	0
DOT Non-Personal/Equipment	6,089	40,400	40,400	40,400	40,400
DOT Personal Services	17,134	21,659	21,659	21,659	24,589
Overhead	6,345	6,457	6,457	6,457	5,844
Total Expenditures	39,577	68,516	97,253	97,253	70,833
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	173,619	133,102	134,166	138,166	172,333
Total Ending Fund Balance	173,619	133,102	134,166	138,166	172,333
TOTAL USE OF FUNDS	**213,196**	**201,618**	**231,419**	**235,419**	**243,166**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 12 (Basking Ridge) Fund (376)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	79,502	18,786	51	51	51
Unrestricted Beginning Fund Balance (Source)	18,786	49,727	74,239	74,239	125,593
Total Beginning Fund Balance	98,288	68,513	74,290	74,290	125,644
Revenue from the Use of Money/Property					
Interest	1,198	1,000	1,000	1,600	2,000
Total Revenue from the Use of Money/Property	1,198	1,000	1,000	1,600	2,000
Special Assessments					
Special Assessments Revenue	275,872	305,600	305,600	305,600	333,700
Total Special Assessments	275,872	305,600	305,600	305,600	333,700
TOTAL SOURCE OF FUNDS	**375,358**	**375,113**	**380,890**	**381,490**	**461,344**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	71,271	73,400	73,400	73,400	67,400
DOT Personal Services	168,922	141,383	141,383	141,383	140,692
Overhead	60,875	40,138	40,138	40,138	37,629
Total Expenditures	301,068	254,921	254,921	254,921	245,721
Transfers					
Transfer to the City Hall Debt Service Fund	0	925	925	925	0
Total Transfers	0	925	925	925	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	51	18,786	51	51	51
Unrestricted Ending Fund Balance (Use)	74,239	100,481	124,993	125,593	215,572
Total Ending Fund Balance	74,290	119,267	125,044	125,644	215,623
TOTAL USE OF FUNDS	**375,358**	**375,113**	**380,890**	**381,490**	**461,344**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 13 (Guadalupe Mines) Fund (310)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	367,217	387,788	399,847	399,847	415,359
Total Beginning Fund Balance	367,217	387,788	399,847	399,847	415,359
Revenue from the Use of Money/Property					
Interest	13,069	12,000	12,000	13,000	13,000
Total Revenue from the Use of Money/Property	13,069	12,000	12,000	13,000	13,000
Special Assessments					
Special Assessments Revenue	61,430	63,400	63,400	63,400	64,900
Total Special Assessments	61,430	63,400	63,400	63,400	64,900
Transfers					
Storm Sewer Operating Fund	10,121	10,121	10,121	10,121	10,121
Total Transfers	10,121	10,121	10,121	10,121	10,121
TOTAL SOURCE OF FUNDS	**451,837**	**473,309**	**485,368**	**486,368**	**503,380**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	26,253	35,160	35,160	35,160	35,160
DOT Personal Services	19,454	30,203	30,203	27,000	30,623
Overhead	6,283	8,849	8,849	8,849	8,447
Total Expenditures	51,990	74,212	74,212	71,009	74,230
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	399,847	399,097	411,156	415,359	429,150
Total Ending Fund Balance	399,847	399,097	411,156	415,359	429,150
TOTAL USE OF FUNDS	**451,837**	**473,309**	**485,368**	**486,368**	**503,380**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,217	2,217	0	0	0
Unrestricted Beginning Fund Balance (Source)	1,325,723	1,341,701	1,440,563	1,440,563	1,415,374
Total Beginning Fund Balance	1,327,940	1,343,918	1,440,563	1,440,563	1,415,374
Revenue from the Use of Money/Property					
Interest	43,105	31,000	31,000	42,000	43,000
Total Revenue from the Use of Money/Property	43,105	31,000	31,000	42,000	43,000
Special Assessments					
Special Assessments Revenue	682,636	699,800	699,800	699,800	715,800
Total Special Assessments	682,636	699,800	699,800	699,800	715,800
TOTAL SOURCE OF FUNDS	**2,053,681**	**2,074,718**	**2,171,363**	**2,182,363**	**2,174,174**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	130,842	76,700	76,700	76,700	77,700
DOT Personal Services	70,768	181,465	181,465	181,465	109,431
Overhead	35,821	62,895	62,895	62,895	40,734
PRNS Non-Personal/Equipment	338,248	387,214	387,214	387,214	372,214
PRNS Personal Services	37,439	122,236	122,236	58,715	37,804
Total Expenditures	613,118	830,510	830,510	766,989	637,883
Transfers					
Transfer to the City Hall Debt Service Fund	0	0	0	0	963
Total Transfers	0	0	0	0	963
Ending Fund Balance					
Reserve for Encumbrances (Use)	0	2,217	0	0	0
Unrestricted Ending Fund Balance (Use)	1,440,563	1,241,991	1,340,853	1,415,374	1,535,328
Total Ending Fund Balance	1,440,563	1,244,208	1,340,853	1,415,374	1,535,328
TOTAL USE OF FUNDS	**2,053,681**	**2,074,718**	**2,171,363**	**2,182,363**	**2,174,174**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	712,590	672,548	726,429	726,429	682,604
Total Beginning Fund Balance	712,590	672,548	726,429	726,429	682,604
Revenue from the Use of Money/Property					
Interest	25,341	12,000	12,000	22,000	21,000
Total Revenue from the Use of Money/Property	25,341	12,000	12,000	22,000	21,000
Special Assessments					
Special Assessments Revenue	103,477	106,100	106,100	106,100	121,800
Total Special Assessments	103,477	106,100	106,100	106,100	121,800
Transfers					
Storm Sewer Operating Fund	26,920	26,920	26,920	26,920	26,920
Total Transfers	26,920	26,920	26,920	26,920	26,920
TOTAL SOURCE OF FUNDS	**868,328**	**817,568**	**871,449**	**881,449**	**852,324**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	105,902	156,000	156,000	156,000	163,000
DOT Personal Services	27,475	33,123	33,123	33,123	33,713
Overhead	8,522	9,722	9,722	9,722	9,316
Total Expenditures	141,899	198,845	198,845	198,845	206,029
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	726,429	618,723	672,604	682,604	646,295
Total Ending Fund Balance	726,429	618,723	672,604	682,604	646,295
TOTAL USE OF FUNDS	**868,328**	**817,568**	**871,449**	**881,449**	**852,324**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	1,422,207	1,591,662	1,602,579	1,602,579	1,714,787
Total Beginning Fund Balance	1,422,207	1,591,662	1,602,579	1,602,579	1,714,787
Revenue from the Use of Money/Property					
Interest	48,957	41,000	41,000	50,000	52,000
Total Revenue from the Use of Money/Property	48,957	41,000	41,000	50,000	52,000
Special Assessments					
Special Assessments Revenue	438,500	450,200	450,200	450,200	461,500
Total Special Assessments	438,500	450,200	450,200	450,200	461,500
Transfers					
Storm Sewer Operating Fund	28,000	28,000	28,000	28,000	28,000
Total Transfers	28,000	28,000	28,000	28,000	28,000
TOTAL SOURCE OF FUNDS	**1,937,664**	**2,110,862**	**2,121,779**	**2,130,779**	**2,256,287**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	169,653	168,000	168,000	168,000	179,000
DOT Personal Services	86,202	125,608	125,608	111,000	147,505
Overhead	26,183	34,744	34,744	34,744	39,065
PRNS Non-Personal/Equipment	53,047	59,901	59,901	59,901	59,901
PRNS Personal Services	0	42,347	42,347	42,347	0
Total Expenditures	335,085	430,600	430,600	415,992	425,471
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	1,602,579	1,680,262	1,691,179	1,714,787	1,830,816
Total Ending Fund Balance	1,602,579	1,680,262	1,691,179	1,714,787	1,830,816
TOTAL USE OF FUNDS	**1,937,664**	**2,110,862**	**2,121,779**	**2,130,779**	**2,256,287**

* Actuals may not subtotal due to rounding.

Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	285,765	269,923	284,478	284,478	250,318
Total Beginning Fund Balance	285,765	269,923	284,478	284,478	250,318
Revenue from the Use of Money/Property					
Interest	8,672	6,500	6,500	8,000	7,000
Total Revenue from the Use of Money/Property	8,672	6,500	6,500	8,000	7,000
Special Assessments					
Special Assessments Revenue	140,659	144,300	144,300	144,300	147,600
Total Special Assessments	140,659	144,300	144,300	144,300	147,600
TOTAL SOURCE OF FUNDS	**435,096**	**420,723**	**435,278**	**436,778**	**404,918**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	126,827	162,000	162,000	162,000	159,053
DOT Personal Services	18,033	18,863	18,863	18,863	18,976
Overhead	5,758	5,597	5,597	5,597	5,302
Total Expenditures	150,618	186,460	186,460	186,460	183,331
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	284,478	234,263	248,818	250,318	221,587
Total Ending Fund Balance	284,478	234,263	248,818	250,318	221,587
TOTAL USE OF FUNDS	**435,096**	**420,723**	**435,278**	**436,778**	**404,918**

* Actuals may not subtotal due to rounding.

Convention and Cultural Affairs Fund (536)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Cultural Facilities Deferred Maintenance Reserve (Source)	0	0	0	0	3,500,000
Reserve for Encumbrances (Source)	3,871,031	3,871,031	48,532	48,532	48,532
Unrestricted Beginning Fund Balance (Source)	2,288,415	5,516,282	6,548,286	6,548,286	4,078,564
Total Beginning Fund Balance	6,159,446	9,387,313	6,596,818	6,596,818	7,627,096
Revenue from the Use of Money/Property					
Interest	269,664	200,000	200,000	270,000	250,000
Total Revenue from the Use of Money/Property	269,664	200,000	200,000	270,000	250,000
Transfers					
Transient Occupancy Tax Fund	12,435,591	13,257,365	13,433,181	13,433,181	13,257,365
Total Transfers	12,435,591	13,257,365	13,433,181	13,433,181	13,257,365
TOTAL SOURCE OF FUNDS	**18,864,701**	**22,844,678**	**20,229,999**	**20,299,999**	**21,134,461**
USE OF FUNDS					
Expenditures					
Convention Center City Free Use	42,850	138,000	138,000	138,000	50,000
Convention Facilities Industry Advisor	0	25,000	25,000	25,000	25,000
Convention Facilities Operations	9,623,915	11,120,000	11,120,000	9,447,573	10,496,000
Insurance Expenses	423,073	505,000	505,000	430,000	450,000
PW Non-Personal/Equipment	0	9,000	9,000	9,000	9,000
Team San Jose Executive Management Fee	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Team San Jose Incentive Fee	250,000	300,000	300,000	300,000	300,000
Total Expenditures	11,339,838	13,097,000	13,097,000	11,349,573	12,330,000
Transfers					
Transfer to the Convention and Cultural Affairs Capital Fund	100,000	500,000	500,000	500,000	4,800,000
Transfer to the General Fund - Contract Oversight	198,159	205,912	205,912	205,912	276,491
Transfer to the General Fund - Cultural Facilities Cap. Maint. Cost Sharing	69,500	69,500	69,500	69,500	69,500
Transfer to the General Fund - Overhead	560,386	547,918	547,918	547,918	536,374
Total Transfers	928,045	1,323,330	1,323,330	1,323,330	5,682,365
Ending Fund Balance					
Cultural Facilities Deferred Maintenance Reserve (Use)	0	3,500,000	3,500,000	3,500,000	2,000,000
Reserve for Encumbrances (Use)	48,532	3,871,031	48,532	48,532	48,532
Unrestricted Ending Fund Balance (Use)	6,548,286	1,053,317	2,261,137	4,078,564	1,073,564

* Actuals may not subtotal due to rounding.

Convention and Cultural Affairs Fund (536)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Total Ending Fund Balance	6,596,818	8,424,348	5,809,669	7,627,096	3,122,096
TOTAL USE OF FUNDS	**18,864,701**	**22,844,678**	**20,229,999**	**20,299,999**	**21,134,461**

* Actuals may not subtotal due to rounding.

Convention Center Facilities District Revenue Fund (791)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Revenue Stabilization Reserve (Source)	12,297,552	12,297,552	12,297,552	12,297,552	12,297,552
Unrestricted Beginning Fund Balance (Source)	14,741,794	15,273,794	16,246,881	16,246,881	11,964,881
Total Beginning Fund Balance	27,039,346	27,571,346	28,544,433	28,544,433	24,262,433
Revenue from the Use of Money/Property					
Interest	1,042,738	500,000	500,000	800,000	1,000,000
Total Revenue from the Use of Money/Property	1,042,738	500,000	500,000	800,000	1,000,000
Financing Proceeds					
Commercial Paper Proceeds	0	0	13,500,000	13,500,000	0
Total Financing Proceeds	0	0	13,500,000	13,500,000	0
Convention Center Facilities District Special Tax					
Convention Center Facilities District Special Tax Revenue	13,675,307	14,200,000	14,200,000	19,100,000	20,700,000
Total Convention Center Facilities District Special Tax	13,675,307	14,200,000	14,200,000	19,100,000	20,700,000
Transfers					
General Purpose Parking Fund	0	0	200,000	200,000	300,000
Total Transfers	0	0	200,000	200,000	300,000
TOTAL SOURCE OF FUNDS	**41,757,391**	**42,271,346**	**56,944,433**	**62,144,433**	**46,262,433**
USE OF FUNDS					
Expenditures					
Debt Service: Commercial Paper	0	0	2,600,000	2,600,000	2,361,000
Debt Service: Lease Revenue Bonds (Series 2022A)	10,599,958	10,862,000	10,862,000	10,862,000	12,263,000
Property Acquisition	0	0	13,600,000	13,600,000	0
Total Expenditures	10,599,958	10,862,000	27,062,000	27,062,000	14,624,000
Transfers					
Transfer to the Convention Center Facility District Capital Fund	2,493,000	10,200,000	10,700,000	10,700,000	14,000,000
Transfer to the General Fund	120,000	120,000	120,000	120,000	120,000
Total Transfers	2,613,000	10,320,000	10,820,000	10,820,000	14,120,000
Ending Fund Balance					
Revenue Stabilization Reserve (Use)	12,297,552	12,297,552	12,297,552	12,297,552	12,297,552
Unrestricted Ending Fund Balance (Use)	16,246,881	8,791,794	6,764,881	11,964,881	5,220,881

* Actuals may not subtotal due to rounding.

Convention Center Facilities District Revenue Fund (791)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Total Ending Fund Balance	28,544,433	21,089,346	19,062,433	24,262,433	17,518,433
TOTAL USE OF FUNDS	**41,757,391**	**42,271,346**	**56,944,433**	**62,144,433**	**46,262,433**

* Actuals may not subtotal due to rounding.

Downtown Property and Business Improvement District Fund (302)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	69,820	69,820	73,346	73,346	73,346
Unrestricted Beginning Fund Balance (Source)	2,452,414	2,603,152	2,578,620	2,578,620	2,730,490
Total Beginning Fund Balance	2,522,234	2,672,972	2,651,966	2,651,966	2,803,836
Revenue from the Use of Money/Property					
Interest	35,988	35,000	35,000	39,000	36,000
Total Revenue from the Use of Money/Property	35,988	35,000	35,000	39,000	36,000
Special Assessments					
Special Assessments Revenue	4,206,952	4,434,367	4,434,367	4,434,368	4,578,719
Total Special Assessments	4,206,952	4,434,367	4,434,367	4,434,368	4,578,719
Transfers					
General Fund	0	1,377,030	1,377,030	1,377,030	1,419,278
General Purpose Parking Fund	1,401,416	77,447	77,447	77,447	77,447
Total Transfers	1,401,416	1,454,477	1,454,477	1,454,477	1,496,725
TOTAL SOURCE OF FUNDS	**8,166,590**	**8,596,816**	**8,575,810**	**8,579,811**	**8,915,280**
USE OF FUNDS					
Expenditures					
Additional Services	24,507	74,246	74,246	74,246	75,947
Downtown Property and Business Improvement District	4,951,166	5,130,117	5,130,117	5,130,117	5,621,453
Downtown Transit Mall	476,973	490,149	490,149	490,149	501,382
General Benefit Contribution	50,903	52,309	52,309	52,309	53,508
Overhead	0	9,154	9,154	9,154	8,672
PW Personal Services	11,075	20,000	20,000	20,000	20,000
Total Expenditures	5,514,624	5,775,975	5,775,975	5,775,975	6,280,962
Ending Fund Balance					
Reserve for Encumbrances (Use)	73,346	69,820	73,346	73,346	73,346
Unrestricted Ending Fund Balance (Use)	2,578,620	2,751,021	2,726,489	2,730,490	2,560,972
Total Ending Fund Balance	2,651,966	2,820,841	2,799,835	2,803,836	2,634,318
TOTAL USE OF FUNDS	**8,166,590**	**8,596,816**	**8,575,810**	**8,579,811**	**8,915,280**

* Actuals may not subtotal due to rounding.

Economic Development Administration Loan Fund (444)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	7,628	7,778	7,894	7,894	8,044
Total Beginning Fund Balance	7,628	7,778	7,894	7,894	8,044
Revenue from the Use of Money/Property					
Interest	266	150	150	150	150
Total Revenue from the Use of Money/Property	266	150	150	150	150
TOTAL SOURCE OF FUNDS	**7,894**	**7,928**	**8,044**	**8,044**	**8,194**
USE OF FUNDS					
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	7,894	7,928	8,044	8,044	8,194
Total Ending Fund Balance	7,894	7,928	8,044	8,044	8,194
TOTAL USE OF FUNDS	**7,894**	**7,928**	**8,044**	**8,044**	**8,194**

* Actuals may not subtotal due to rounding.

Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	377,491	377,491	196,453	196,453	196,453
Unrestricted Beginning Fund Balance (Source)	(377,049)	0	(196,453)	(196,453)	0
Total Beginning Fund Balance	442	377,491	0	0	196,453
Revenue from Federal Government					
Federal Government Revenue	622,501	643,529	851,751	851,751	0
Total Revenue from Federal Government	622,501	643,529	851,751	851,751	0
TOTAL SOURCE OF FUNDS	**622,943**	**1,021,020**	**851,751**	**851,751**	**196,453**
USE OF FUNDS					
Expenditures					
2020 Justice Assistance Grant	281,216	0	0	0	0
2021 Justice Assistance Grant	28,392	90,579	92,187	92,187	0
2022 Justice Assistance Grant	103,495	145,248	145,248	145,248	0
2023 Justice Assistance Grant	209,840	73,969	84,130	84,130	0
2024 Justice Assistance Grant	0	333,733	333,733	333,733	0
Total Expenditures	622,943	643,529	655,298	655,298	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	196,453	377,491	196,453	196,453	196,453
Unrestricted Ending Fund Balance (Use)	(196,453)	0	0	0	0
Total Ending Fund Balance	0	377,491	196,453	196,453	196,453
TOTAL USE OF FUNDS	**622,943**	**1,021,020**	**851,751**	**851,751**	**196,453**

* Actuals may not subtotal due to rounding.

Emergency Reserve Fund (406)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	65,876	65,876	(35,795)	(35,795)	(35,795)
Unrestricted Beginning Fund Balance (Source)	(22,643,730)	(25,369,203)	(6,900,548)	(6,900,548)	703,492
Total Beginning Fund Balance	(22,577,854)	(25,303,327)	(6,936,343)	(6,936,343)	667,697
Revenue from the Use of Money/Property					
Interest	0	0	0	16,000	50,000
Total Revenue from the Use of Money/Property	0	0	0	16,000	50,000
Revenue from Local Agencies					
Reimbursements	17,826,276	0	0	0	0
Total Revenue from Local Agencies	17,826,276	0	0	0	0
Revenue from Federal Government					
Federal Emergency Management Agency (FEMA)	38,526	29,061,245	11,196,442	1,088,040	4,400,961
Total Revenue from Federal Government	38,526	29,061,245	11,196,442	1,088,040	4,400,961
Transfers					
General Fund	0	10,000,000	7,000,000	7,000,000	0
Total Transfers	0	10,000,000	7,000,000	7,000,000	0
TOTAL SOURCE OF FUNDS	**(4,713,052)**	**13,757,918**	**11,260,099**	**1,167,697**	**5,118,658**
USE OF FUNDS					
Expenditures					
2022-2023 Storm Response and Recovery	186,184	0	0	0	0
Emergency Response and Recovery	36,782	500,000	500,000	500,000	500,000
Resident Relief - Rent Relief Program	325	0	0	0	0
Total Expenditures	223,291	500,000	500,000	500,000	500,000
Transfers					
Transfer to the General Fund	2,000,000	0	0	0	0
Total Transfers	2,000,000	0	0	0	0
Ending Fund Balance					
FEMA Non-Reimbursable Expenses Reserve	0	13,000,000	10,000,000	0	4,000,000
Reserve for Encumbrances (Use)	(35,795)	65,876	(35,795)	(35,795)	(35,795)
Unrestricted Ending Fund Balance (Use)	(6,900,548)	192,042	795,894	703,492	654,453
Total Ending Fund Balance	(6,936,343)	13,257,918	10,760,099	667,697	4,618,658
TOTAL USE OF FUNDS	**(4,713,052)**	**13,757,918**	**11,260,099**	**1,167,697**	**5,118,658**

* Actuals may not subtotal due to rounding.

Federal Drug Forfeiture Fund (419)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	517,132	517,132	629,738	629,738	29,453
Total Beginning Fund Balance	517,132	517,132	629,738	629,738	29,453
Revenue from Federal Government					
Federal Revenue	108,097	0	0	0	0
Interest	4,509	0	0	0	0
Total Revenue from Federal Government	112,606	0	0	0	0
TOTAL SOURCE OF FUNDS	**629,738**	**517,132**	**629,738**	**629,738**	**29,453**
USE OF FUNDS					
Expenditures					
Police Fixed Wing Aircraft Replacement	0	0	600,285	600,285	0
Total Expenditures	0	0	600,285	600,285	0
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	629,738	517,132	29,453	29,453	29,453
Total Ending Fund Balance	629,738	517,132	29,453	29,453	29,453
TOTAL USE OF FUNDS	**629,738**	**517,132**	**629,738**	**629,738**	**29,453**

* Actuals may not subtotal due to rounding.

Federated Retiree Healthcare Trust Fund (124)

STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actual	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	413,515,000	425,776,000	461,586,000	461,586,000	476,838,000
Total Beginning Fund Balance	413,515,000	425,776,000	461,586,000	461,586,000	476,838,000
Revenue from the Use of Money/Property					
Participant Income	9,727,000	8,490,000	8,490,000	8,489,000	7,958,000
Investment Income	46,483,000	19,846,000	19,846,000	22,840,000	23,526,000
Total Revenue from the Use of Money/Property	56,210,000	28,336,000	28,336,000	31,329,000	31,484,000
Transfers					
City Contributions	27,645,000	21,900,000	21,900,000	21,929,000	24,500,000
Total Transfers	27,645,000	21,900,000	21,900,000	21,929,000	24,500,000
TOTAL SOURCE OF FUNDS	**497,370,000**	**476,012,000**	**511,822,000**	**514,844,000**	**532,822,000**
USE OF FUNDS					
Expenditures					
Health Insurance	34,938,000	36,576,000	36,576,000	37,427,000	38,582,000
Professional Fees	846,000	551,000	551,000	579,000	608,000
Total Expenditures	35,784,000	37,127,000	37,127,000	38,006,000	39,190,000
Ending Fund Balance					
Reserve for Claims (Use)	461,586,000	438,885,000	474,695,000	476,838,000	493,632,000
Total Ending Fund Balance	461,586,000	438,885,000	474,695,000	476,838,000	493,632,000
TOTAL USE OF FUNDS	**497,370,000**	**476,012,000**	**511,822,000**	**514,844,000**	**532,822,000**

This Statement of Source and Use is for display purposes only. The Federated City Employees Retirement Plan Board of Administration approved the annual administrative budget on 4/16/26.

Federated Retirement Fund (134)

STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actual	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	3,154,264,000	3,289,683,000	3,486,313,000	3,486,313,000	3,635,049,000
Total Beginning Fund Balance	3,154,264,000	3,289,683,000	3,486,313,000	3,486,313,000	3,635,049,000
Revenue from the Use of Money/Property					
Participant Income	37,968,000	40,536,000	40,536,000	40,536,000	42,522,000
Investment Income	328,516,000	170,032,000	170,032,000	182,280,000	191,951,000
Total Revenue from the Use of Money/Property	366,484,000	210,568,000	210,568,000	222,816,000	234,473,000
Transfers					
City Contributions	238,195,000	209,552,000	209,552,000	209,552,000	244,169,000
1980 COLA	500	500	500	500	500
1990 COLA	2,300	2,500	2,500	2,100	2,500
Total Transfers	238,197,800	209,555,000	209,555,000	209,554,600	244,172,000
TOTAL SOURCE OF FUNDS	**3,758,945,800**	**3,709,806,000**	**3,906,436,000**	**3,918,683,600**	**4,113,694,000**
USE OF FUNDS					
Expenditures					
Retirement Personal Services	4,515,000	4,981,000	4,981,000	4,934,600	5,287,000
Retirement Non-Personal/Equipment	1,349,000	870,000	870,000	732,500	855,000
Benefits	266,597,000	273,782,000	273,782,000	277,369,000	288,217,000
Professional Fees	169,000	975,000	975,000	595,900	880,000
1980 COLA	500	500	500	500	500
1990 COLA	2,300	2,500	2,500	2,100	2,500
Total Expenditures	272,632,800	280,611,000	280,611,000	283,634,600	295,242,000
Ending Fund Balance					
Reserve for Claims (Use)	3,486,313,000	3,429,195,000	3,625,825,000	3,635,049,000	3,818,452,000
Total Ending Fund Balance	3,486,313,000	3,429,195,000	3,625,825,000	3,635,049,000	3,818,452,000
TOTAL USE OF FUNDS	**3,758,945,800**	**3,709,806,000**	**3,906,436,000**	**3,918,683,600**	**4,113,694,000**

This Statement of Source and Use is for display purposes only. The Federated City Employees' Retirement Plan Board of Administration approved the annual administrative budget on 4/16/26. It should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to revised salary, retirement, and benefit costs when compared to those that were projected in March.

Fire Development Fee Program Fund (240)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	367,043	367,043	13,203	13,203	13,203
Unrestricted Beginning Fund Balance (Source)	2,119,708	540,389	960,857	960,857	2,302,166
Total Beginning Fund Balance	2,486,751	907,432	974,060	974,060	2,315,369
Licenses and Permits					
Fire Development Program Fees	8,107,132	10,513,000	10,513,000	11,513,000	10,828,390
Total Licenses and Permits	8,107,132	10,513,000	10,513,000	11,513,000	10,828,390
Revenue from the Use of Money/Property					
Interest	91,414	35,000	35,000	90,000	75,000
Total Revenue from the Use of Money/Property	91,414	35,000	35,000	90,000	75,000
TOTAL SOURCE OF FUNDS	**10,685,297**	**11,455,432**	**11,522,060**	**12,577,060**	**13,218,759**
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	34,222	56,280	56,280	56,000	45,630
Development Fee Program - Shared Resources Personal Services (Finance)	6,488	7,157	7,157	7,000	7,531
Development Fee Program - Shared Resources Personal Services (ITD)	168,758	185,749	185,749	186,000	183,951
Fire Development Fee Program - Non-Personal/Equipment (Fire)	42,878	225,557	290,557	280,000	340,357
Fire Development Fee Program - Non-Personal/Equipment (PBCE)	37,880	127,517	134,437	130,000	83,528
Fire Development Fee Program - Personal Services (Fire)	7,768,425	8,109,257	8,109,257	8,000,000	8,258,471
Fire Development Fee Program - Personal Services (PBCE)	25,420	25,800	25,800	28,000	26,415
Fire Development Fee Program - Personal Services (PW)	13,280	14,067	14,067	16,000	14,087
Fire Inspection Improvements	2,848	147,259	80,909	81,000	0
ITD Non-Personal/Equipment	27,261	0	0	0	0
Overhead	1,449,849	1,362,632	1,362,632	1,362,632	1,494,800
Total Expenditures	9,577,309	10,261,275	10,266,845	10,146,632	10,454,770
Transfers					
Transfer to the City Hall Debt Service Fund	133,928	115,059	115,059	115,059	116,660
Total Transfers	133,928	115,059	115,059	115,059	116,660

* Actuals may not subtotal due to rounding.

Fire Development Fee Program Fund (240)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Ending Fund Balance					
Reserve for Encumbrances (Use)	13,203	367,043	13,203	13,203	13,203
Unrestricted Ending Fund Balance (Use)	960,857	712,055	1,126,953	2,302,166	2,634,126
Total Ending Fund Balance	974,060	1,079,098	1,140,156	2,315,369	2,647,329
TOTAL USE OF FUNDS	**10,685,297**	**11,455,432**	**11,522,060**	**12,577,060**	**13,218,759**

* Actuals may not subtotal due to rounding.

Fire Retiree Healthcare Trust Fund (126)

STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actual	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	123,995,000	138,347,000	144,996,000	144,996,000	159,860,000
Total Beginning Fund Balance	123,995,000	138,347,000	144,996,000	144,996,000	159,860,000
Revenue from the Use of Money/Property					
Investment Income	14,829,000	8,668,000	8,668,000	8,879,000	9,968,000
Total Revenue from the Use of Money/Property	14,829,000	8,668,000	8,668,000	8,879,000	9,968,000
Transfers					
City Contributions	11,933,000	12,276,000	12,276,000	12,328,000	12,593,000
Total Transfers	11,933,000	12,276,000	12,276,000	12,328,000	12,593,000
TOTAL SOURCE OF FUNDS	**150,757,000**	**159,291,000**	**165,940,000**	**166,203,000**	**182,421,000**
USE OF FUNDS					
Expenditures					
Health Insurance	5,722,000	5,442,000	5,442,000	6,297,000	6,781,000
Professional Fees	39,000	46,000	46,000	46,000	48,000
Total Expenditures	5,761,000	5,488,000	5,488,000	6,343,000	6,829,000
Ending Fund Balance					
Reserve for Claims (Use)	144,996,000	153,803,000	160,452,000	159,860,000	175,592,000
Total Ending Fund Balance	144,996,000	153,803,000	160,452,000	159,860,000	175,592,000
TOTAL USE OF FUNDS	**150,757,000**	**159,291,000**	**165,940,000**	**166,203,000**	**182,421,000**

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/15/26.

Gas Tax Maintenance and Construction Fund - 1943 (409)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	8,331,531	9,100,000	9,100,000	7,900,000	8,300,000
Total Gas Tax	8,331,531	9,100,000	9,100,000	7,900,000	8,300,000
TOTAL SOURCE OF FUNDS	**8,331,531**	**9,100,000**	**9,100,000**	**7,900,000**	**8,300,000**
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	8,331,531	9,100,000	9,100,000	7,900,000	8,300,000
Total Transfers	8,331,531	9,100,000	9,100,000	7,900,000	8,300,000
TOTAL USE OF FUNDS	**8,331,531**	**9,100,000**	**9,100,000**	**7,900,000**	**8,300,000**

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance and Construction Fund - 1964 (410)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	3,730,407	4,100,000	4,100,000	3,500,000	3,700,000
Total Gas Tax	3,730,407	4,100,000	4,100,000	3,500,000	3,700,000
TOTAL SOURCE OF FUNDS	**3,730,407**	**4,100,000**	**4,100,000**	**3,500,000**	**3,700,000**
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	3,730,407	4,100,000	4,100,000	3,500,000	3,700,000
Total Transfers	3,730,407	4,100,000	4,100,000	3,500,000	3,700,000
TOTAL USE OF FUNDS	**3,730,407**	**4,100,000**	**4,100,000**	**3,500,000**	**3,700,000**

* Actuals may not subtotal due to rounding.

Gas Tax Maintenance and Construction Fund - 1990 (411)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Gas Tax					
Gas Tax Revenue	6,260,625	6,800,000	6,800,000	6,000,000	6,300,000
Total Gas Tax	6,260,625	6,800,000	6,800,000	6,000,000	6,300,000
TOTAL SOURCE OF FUNDS	**6,260,625**	**6,800,000**	**6,800,000**	**6,000,000**	**6,300,000**
USE OF FUNDS					
Transfers					
Street Maintenance on a monthly basis as available	6,260,625	6,800,000	6,800,000	6,000,000	6,300,000
Total Transfers	6,260,625	6,800,000	6,800,000	6,000,000	6,300,000
TOTAL USE OF FUNDS	**6,260,625**	**6,800,000**	**6,800,000**	**6,000,000**	**6,300,000**

* Actuals may not subtotal due to rounding.

General Purpose Parking Fund (533)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Emergency Repairs Reserve (Source)	700,000	700,000	700,000	700,000	700,000
Parking Meter District Area Reserve (Source)	300,000	600,000	600,000	600,000	900,000
Reserve for Encumbrances (Source)	1,825,762	1,825,762	1,820,082	1,820,082	1,820,082
Unrestricted Beginning Fund Balance (Source)	5,041,858	4,577,848	5,649,159	5,649,159	6,903,269
Total Beginning Fund Balance	7,867,620	7,703,610	8,769,241	8,769,241	10,323,351
Revenue from the Use of Money/Property					
Interest	209,716	150,000	150,000	210,000	210,000
Total Revenue from the Use of Money/Property	209,716	150,000	150,000	210,000	210,000
Fees, Rates, and Charges					
Parking Lots and Garages	12,903,547	12,000,000	12,000,000	13,200,000	12,000,000
Parking Meters	3,235,164	3,000,000	3,000,000	3,300,000	4,500,000
Parking Meter Removal Fees	2,940	0	0	0	2,080
Total Fees, Rates, and Charges	16,141,651	15,000,000	15,000,000	16,500,000	16,502,080
Other Revenue					
Miscellaneous	178,195	100,000	100,000	150,000	100,000
Total Other Revenue	178,195	100,000	100,000	150,000	100,000
TOTAL SOURCE OF FUNDS	**24,397,182**	**22,953,610**	**24,019,241**	**25,629,241**	**27,135,431**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	7,458,342	7,659,653	7,701,653	7,701,653	7,987,153
DOT Personal Services	2,832,185	3,135,346	3,135,346	3,086,000	3,228,816
ITD Non-Personal/Equipment	9,302	14,812	14,812	9,500	9,401
ITD Personal Services	8,678	8,887	8,887	8,887	8,984
Overhead	1,561,370	1,488,330	1,488,330	1,488,330	1,411,007
Police Garage Security Services	276,651	350,000	350,000	280,000	350,000
PW Non-Personal/Equipment	16,022	29,488	29,488	29,488	29,488
PW Personal Services	0	50,000	50,000	10,000	50,000
Workers' Compensation Claims	3,568	20,000	20,000	20,000	14,000
Total Expenditures	12,166,118	12,756,516	12,798,516	12,633,858	13,088,849
Transfers					
Transfer to the City Hall Debt Service Fund	65,212	66,525	66,525	66,525	69,689
Transfer to the Convention Center Facility District Revenue Fund	0	0	200,000	200,000	300,000
Transfer to the Downtown Property and Business Improvement District Fund	77,447	77,447	77,447	77,447	77,447

* Actuals may not subtotal due to rounding.

General Purpose Parking Fund (533)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfer to the General Fund	365,000	365,000	365,000	365,000	1,565,000
Transfer to the General Fund - San Jose Downtown Association	454,164	463,060	463,060	463,060	270,952
Transfer to the General Purpose Parking Capital Fund	2,500,000	1,500,000	1,500,000	1,500,000	1,200,000
Total Transfers	3,461,823	2,472,032	2,672,032	2,672,032	3,483,088
Ending Fund Balance					
Emergency Repairs Reserve (Use)	700,000	700,000	700,000	700,000	700,000
Parking Meter District Area Reserve (Use)	600,000	900,000	900,000	900,000	1,200,000
Reserve for Encumbrances (Use)	1,820,082	1,825,762	1,820,082	1,820,082	1,820,082
Unrestricted Ending Fund Balance (Use)	5,649,159	4,299,300	5,128,611	6,903,269	6,843,412
Total Ending Fund Balance	8,769,241	7,725,062	8,548,693	10,323,351	10,563,494
TOTAL USE OF FUNDS	**24,397,182**	**22,953,610**	**24,019,241**	**25,629,241**	**27,135,431**

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	0	48,486	34,413	34,413	34,413
Unrestricted Beginning Fund Balance (Source)	4,043,429	812,000	4,205,926	4,205,926	853,000
Total Beginning Fund Balance	4,043,429	860,486	4,240,339	4,240,339	887,413
Revenue from the Use of Money/Property					
Clerk Purposes	649	0	0	0	0
DOT Purposes	698	0	0	0	0
Library Purposes	22,876	0	0	0	0
OED Purposes	4,563	0	0	0	0
Other Purposes	32,401	0	0	0	0
PRNS Purposes	48,562	0	0	0	0
Public Safety Purposes	6,164	0	0	0	0
PW Purposes	267,626	0	0	0	0
Total Revenue from the Use of Money/Property	383,539	0	0	0	0
Other Revenue					
DOT Purposes	250	0	0	0	0
Library Purposes	163,987	0	0	0	0
PRNS Purposes	129,114	0	500	500	0
Public Safety Purposes	790	0	0	0	0
PW Purposes	417,488	0	0	0	0
Total Other Revenue	711,629	0	500	500	0
Transfers					
Gift Trust Fund	0	0	124,643	124,643	0
Total Transfers	0	0	124,643	124,643	0
TOTAL SOURCE OF FUNDS	**5,138,597**	**860,486**	**4,365,482**	**4,365,482**	**887,413**
USE OF FUNDS					
Expenditures					
Airport Military Lounge	642	0	10	10	0
Albino, Erminia and Alba Joyce Martini Memorial Fund	0	29,000	116,716	87,716	29,000
Alma Community Center Older Adults Programming Donation	1,138	0	4,300	4,300	0
Almaden Lake Park	2,685	20,000	44,495	44,495	0
Almaden Lake Park Rangers	0	0	778	778	0
Almaden Senior Programming Donations	0	0	3,718	3,718	0
Almaden Winery Improvements	0	0	33,060	33,060	0
Alum Rock Park	0	0	30,539	30,539	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Alviso Community Center	0	0	25,036	25,036	0
Alviso Recreation and Teen Program	0	0	2,084	2,084	0
Animal Adoption	0	0	4,925	4,925	0
Animal Services Donations	135,791	240,000	1,482,246	1,113,246	369,000
Annual District I Festival in the Park	0	0	1,826	1,826	0
Anti-Theft Car Campaign	0	0	8	8	0
Art + Technology Program	10,473	15,000	29,595	29,595	0
Art Work	0	0	10,209	10,209	0
Arts and Education Week	0	0	11,635	11,635	0
Berryessa Center Art Project	0	0	2,809	2,809	0
Berryessa Senior Programming Gift	4,397	0	10,499	10,499	0
Berryessa Special Events Gift	0	0	1,186	1,186	0
Books for Little Hands	100	0	0	0	0
CADPE - Drug Education	0	0	204	204	0
Calabazas BMX Park	0	0	3,370	3,370	0
Calabazas Branch Library	(1,969)	0	518	518	0
Camden Community Center Miscellaneous Gifts	0	0	3,551	3,551	0
Canine Unit	0	0	7,490	7,490	0
Castro School Landscaping	0	0	8,095	8,095	0
Child Safety Seats	0	0	294	294	0
Children's Interview Center	0	0	32,956	32,956	0
Coleman / Guadalupe Traffic Study and Mitigation	0	0	17,326	17,326	0
Combined Gifts	0	0	7,727	7,727	0
Commodore Park Maintenance	0	0	17,141	17,141	0
Communications Facility Fitness Center	0	0	344	344	0
Community Cultural Council	0	0	4,339	4,339	0
CommUnity Resource Fair	0	0	28,945	28,945	0
Community Services Program	0	0	3,383	3,383	0
Crime Prevention Committee	0	0	979	979	0
Cultural Performance	0	0	240	240	0
Cybercadet Program	0	0	749	749	0
Dando Artwork Maintenance	0	0	27,189	27,189	0
Emma Prusch Farm Park	0	0	14,332	14,332	0
Enhanced Crosswalk at Hedding and Elm Streets	0	0	10,777	10,777	0
Evergreen Senior Programming Gift	386	0	6,711	6,711	0
Facebook	164,071	53,000	72,850	54,850	18,000
Family Camp Camperships	0	0	6,471	6,471	0
Friends of Paul Moore Park	0	0	4,671	4,671	0
G.E.A.R. Program	0	0	38	38	0
Garbage Stickers	1,945	13,000	66,719	49,719	17,000
Go Girl Go BAWSI	0	0	1,316	1,316	0
Grace Community Center	0	0	45,717	45,717	0
Gullo Park Turf Irrigation	0	0	21,163	21,163	0
Hazardous Material Training	0	0	906	906	0
Heliport System Plan Study	0	0	32,997	32,997	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Incubation Office Project	0	0	11,751	11,751	0
Internet Crimes Against Children	0	0	237	237	0
Investigative Enhancement	0	0	903	903	0
IPA's Teen Leadership Council	0	0	2,437	2,437	0
J. Ward Memorial Scholarship	0	0	1,365	1,365	0
Japanese Friendship Garden	0	0	18,655	18,655	0
Kinjo Gardens	0	0	6,342	6,342	0
Lake Cunningham Skate Park	0	0	7,799	7,799	0
Leland High School Tennis	0	0	2,826	2,826	0
Library Literacy Project	3,391	0	34,514	34,514	0
Library-General Gifts	161,810	107,000	580,246	435,246	145,000
Major Awards Banquet	0	0	100	100	0
Mayfair Senior Programming Gift	0	0	8,032	8,032	0
Mayor's College Motivation Program	0	0	23,479	23,479	0
Mayor's Gang Prevention Task Force Clean Slate Program	164	0	15,517	15,517	0
Mayor's Safe Families	0	0	130	130	0
Miscellaneous Gifts	0	0	47	47	0
Miscellaneous Gifts under $5,000	0	0	30,329	30,329	0
Miscellaneous Gifts Under $1,000	0	0	21,837	21,837	0
Mise and Starbird Gift	0	13,000	54,445	40,445	14,000
Mitty/Bevans Pedestrian Safety Project	0	0	11,038	11,038	0
N. San Pedro Area Park Maintenance	8,083	32,000	123,793	92,793	31,000
Newhall Park Maintenance	12,051	41,000	156,198	117,198	39,000
Nicolas Prusch Swimming	13,379	0	1,835	1,835	0
O'Donnell's Gardens Park	0	0	8,132	8,132	0
Our City Forest	0	0	23	23	0
Overfelt Gardens	0	0	1,872	1,872	0
Pedestrian Enhancements - International Circle and Hospital Parkway	0	0	2,515	2,515	0
Police & School Partnership Program	0	0	1,457	1,457	0
Police Educational Robot	0	0	344	344	0
Police Mounted Unit	0	0	19,751	19,751	0
Police Reserves Unit	0	0	2,739	2,739	0
Public Education Program	12,990	0	7,254	7,254	0
River Oaks Park Maintenance	0	24,000	98,331	73,331	25,000
Robbery Secret Witness	0	0	2,498	2,498	0
Roosevelt Roller Hockey Rink Legacy Project 2018-2019	0	28,000	113,675	85,675	28,000
Rotary Playgarden Improvements	0	17,000	69,901	52,901	17,000
RP & CS General Gifts over $1,000	6,197	15,000	61,270	46,270	15,000
S.A.V.E. Program	6,949	0	33,607	33,607	0
Safe Summer Initiative	0	0	26,731	26,731	0
San José Vietnam War Memorial	0	0	13,871	13,871	0
Scholastic Crime Stoppers	0	0	770	770	0
School Safety Gifts	0	0	82	82	0

* Actuals may not subtotal due to rounding.

Gift Trust Fund (139)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Seven Trees Music Wish Book	0	0	37,911	37,911	0
Spay / Neuter Program	0	16,000	70,137	52,137	18,000
Sponsorship Gifts	0	0	201	201	0
St. James Park Landscaping	0	0	9,541	9,541	0
Trauma Kits	0	0	291	291	0
Vista Montana Park Maintenance	348,945	149,000	352,864	264,864	88,000
Volunteer Program	0	0	105	105	0
Willow Glen Founders Day	0	0	808	808	0
Willow Glen Senior Programming	807	0	4,475	4,475	0
Youth Commission	3,833	0	664	664	0
Total Expenditures	898,258	812,000	4,320,857	3,467,857	853,000
Transfers					
Transfer to the General Fund	0	0	10,212	10,212	0
Total Transfers	0	0	10,212	10,212	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	34,413	48,486	34,413	34,413	34,413
Unrestricted Ending Fund Balance (Use)	4,205,926	0	0	853,000	0
Total Ending Fund Balance	4,240,339	48,486	34,413	887,413	34,413
TOTAL USE OF FUNDS	**5,138,597**	**860,486**	**4,365,482**	**4,365,482**	**887,413**

* Actuals may not subtotal due to rounding.

Home Investment Partnership Program Trust Fund (445)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Housing Project Reserve (Source)	3,000,000	259,291	259,291	259,291	259,291
Reserve for Encumbrances (Source)	120,272	120,272	40,540	40,540	40,540
Unrestricted Beginning Fund Balance (Source)	(3,095,033)	1,764,613	2,011,151	2,011,151	2,082,933
Total Beginning Fund Balance	25,239	2,144,176	2,310,982	2,310,982	2,382,764
Revenue from the Use of Money/Property					
Interest	48,840	200,000	200,000	200,000	200,000
Loan Repayments	367,253	150,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	416,093	350,000	300,000	300,000	300,000
Revenue from Federal Government					
American Rescue Plan Act	453,028	9,251,450	11,240,802	11,240,802	0
HOME Entitlement Grants	1,815,760	2,522,607	2,615,708	2,615,708	5,411,231
Total Revenue from Federal Government	2,268,788	11,774,057	13,856,510	13,856,510	5,411,231
TOTAL SOURCE OF FUNDS	**2,710,120**	**14,268,233**	**16,467,492**	**16,467,492**	**8,093,995**
USE OF FUNDS					
Expenditures					
Fair Housing	159,460	200,000	200,000	200,000	200,000
Housing Loans and Grants	0	0	0	0	2,600,000
Housing Non-Personal/Equipment	10,609	0	0	0	46,714
Housing Personal Services	74,038	57,779	54,628	54,628	256,472
Housing Shelter	100,879	2,538,480	2,552,356	2,552,356	2,532,739
Overhead	23,682	36,942	36,942	36,942	113,097
Supportive Services	0	0	1,989,352	1,989,352	0
Tenant Based Rental Assistance	0	9,251,450	9,251,450	9,251,450	87,175
Total Expenditures	368,668	12,084,651	14,084,728	14,084,728	5,836,197
Transfers					
Transfer to the City Hall Debt Service Fund	30,470	0	0	0	0
Total Transfers	30,470	0	0	0	0
Ending Fund Balance					
Housing Project Reserve (Use)	259,291	259,291	259,291	259,291	259,291
Reserve for Encumbrances (Use)	40,540	120,272	40,540	40,540	40,540
Unrestricted Ending Fund Balance (Use)	2,011,151	1,804,019	2,082,933	2,082,933	1,957,967
Total Ending Fund Balance	2,310,982	2,183,582	2,382,764	2,382,764	2,257,798
TOTAL USE OF FUNDS	**2,710,120**	**14,268,233**	**16,467,492**	**16,467,492**	**8,093,995**

* Actuals may not subtotal due to rounding.

Homeless Housing, Assistance, and Prevention Fund (454)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	14,422,732	14,422,733	6,638,032	6,638,032	6,638,032
Unrestricted Beginning Fund Balance (Source)	(11,281,117)	209,840	(4,072,231)	(4,072,231)	705,324
Total Beginning Fund Balance	3,141,615	14,632,573	2,565,801	2,565,801	7,343,356
Revenue from the Use of Money/Property					
Interest	834,087	500,000	500,000	500,000	500,000
Total Revenue from the Use of Money/Property	834,087	500,000	500,000	500,000	500,000
Revenue from State of California					
Homeless Housing Assistance and Prevention Grant	28,202,816	20,055,840	21,731,662	21,731,662	25,280,507
Total Revenue from State of California	28,202,816	20,055,840	21,731,662	21,731,662	25,280,507
TOTAL SOURCE OF FUNDS	**32,178,518**	**35,188,413**	**24,797,463**	**24,797,463**	**33,123,863**
USE OF FUNDS					
Expenditures					
Emergency Shelters	21,215,896	13,749,388	7,146,171	7,146,171	16,031,875
Grant Administration	1,180,877	1,718,675	1,712,494	1,712,494	1,815,913
Homeless Youth	2,282,662	0	2,341,205	2,341,205	2,000,000
Homelessness Prevention System	3,255,241	3,009,187	2,838,251	2,838,251	3,000,000
Loan Administration	0	57,387	57,387	57,387	57,731
Overhead	199,278	470,577	470,577	470,577	586,284
Street Outreach and Support Services	1,476,205	1,050,626	2,850,626	2,850,626	20,903
Total Expenditures	29,610,159	20,055,840	17,416,711	17,416,711	23,512,706
Transfers					
Transfer to the City Hall Debt Service Fund	2,558	37,396	37,396	37,396	39,581
Total Transfers	2,558	37,396	37,396	37,396	39,581
Ending Fund Balance					
Reserve for Encumbrances (Use)	6,638,032	14,422,733	6,638,032	6,638,032	6,638,032
Unrestricted Ending Fund Balance (Use)	(4,072,231)	672,444	705,324	705,324	2,933,544
Total Ending Fund Balance	2,565,801	15,095,177	7,343,356	7,343,356	9,571,576
TOTAL USE OF FUNDS	**32,178,518**	**35,188,413**	**24,797,463**	**24,797,463**	**33,123,863**

* Actuals may not subtotal due to rounding.

Housing Trust Fund (440)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	1,542,500	1,542,500	2,237,808	2,237,808	2,237,808
Unrestricted Beginning Fund Balance (Source)	3,234,435	1,280,081	2,396,313	2,396,313	385,565
Total Beginning Fund Balance	4,776,935	2,822,581	4,634,121	4,634,121	2,623,373
Revenue from the Use of Money/Property					
Interest	190,275	91,000	91,000	200,000	91,000
Total Revenue from the Use of Money/Property	190,275	91,000	91,000	200,000	91,000
Other Revenue					
Bond Administration Fees	969,850	1,100,000	1,100,000	800,000	800,000
Land and Building Lease Revenue	63,000	63,000	63,000	63,000	63,000
Miscellaneous	116,292	25,000	25,000	300,000	150,000
Total Other Revenue	1,149,142	1,188,000	1,188,000	1,163,000	1,013,000
TOTAL SOURCE OF FUNDS	**6,116,352**	**4,101,581**	**5,913,121**	**5,997,121**	**3,727,373**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	92,819	43,221	43,221	43,221	124,098
Disaster Assistance	0	0	311,000	311,000	0
Emergency Assistance	250	0	130,000	130,000	0
Employment Initiative Program	27,987	0	0	0	0
Housing and Homeless Projects	459,498	570,000	1,281,860	1,281,860	0
Housing Non-Personal/Equipment	19,542	253,220	253,220	253,220	53,220
Housing Personal Services	784,014	1,175,698	1,175,698	1,175,698	1,246,618
Overhead	74,324	150,420	150,420	150,420	172,732
Total Expenditures	1,458,434	2,192,559	3,345,419	3,345,419	1,596,668
Transfers					
Transfer to the City Hall Debt Service Fund	23,797	28,329	28,329	28,329	27,541
Total Transfers	23,797	28,329	28,329	28,329	27,541
Ending Fund Balance					
Reserve for Encumbrances (Use)	2,237,808	1,542,500	2,237,808	2,237,808	1,747,006
Unrestricted Ending Fund Balance (Use)	2,396,313	338,193	301,565	385,565	356,158
Total Ending Fund Balance	4,634,121	1,880,693	2,539,373	2,623,373	2,103,164
TOTAL USE OF FUNDS	**6,116,352**	**4,101,581**	**5,913,121**	**5,997,121**	**3,727,373**

* Actuals may not subtotal due to rounding.

Ice Centre Revenue Fund (432)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Rehabilitation Reserve (Source)	2,030,520	1,888,194	1,888,194	1,888,194	3,032,190
Reserve for Encumbrances (Source)	100,000	100,000	0	0	0
Unrestricted Beginning Fund Balance (Source)	105,927	396,000	713,796	856,122	392,326
Total Beginning Fund Balance	2,236,447	2,384,194	2,601,990	2,744,316	3,424,516
Revenue from the Use of Money/Property					
Interest	147,130	100,000	100,000	100,000	100,000
Ice Centre - Additional Rent	206,293	225,945	225,945	225,945	231,944
Ice Centre - Base Rent	7,800,000	8,632,000	8,632,000	8,632,000	8,846,359
Total Revenue from the Use of Money/Property	8,153,423	8,957,945	8,957,945	8,957,945	9,178,303
TOTAL SOURCE OF FUNDS	**10,389,870**	**11,342,139**	**11,559,935**	**11,702,261**	**12,602,819**
USE OF FUNDS					
Expenditures					
Ice Centre Debt Service Payment	7,422,762	8,051,800	8,051,800	8,051,800	8,047,800
Ice Centre Oversight Expenses	116,792	119,945	119,945	119,945	122,944
Total Expenditures	7,539,554	8,171,745	8,171,745	8,171,745	8,170,744
Transfers					
Transfer to the General Fund - Ice Centre Insurance Expenses	106,000	106,000	106,000	106,000	106,000
Total Transfers	106,000	106,000	106,000	106,000	106,000
Ending Fund Balance					
Capital Rehabilitation Reserve (Use)	1,888,194	2,714,394	3,032,190	3,032,190	4,073,075
Reserve for Encumbrances (Use)	0	100,000	0	0	0
Unrestricted Ending Fund Balance (Use)	856,122	250,000	250,000	392,326	253,000
Total Ending Fund Balance	2,744,316	3,064,394	3,282,190	3,424,516	4,326,075
TOTAL USE OF FUNDS	**10,389,870**	**11,342,139**	**11,559,935**	**11,702,261**	**12,602,819**

* Actuals may not subtotal due to rounding.

Inclusionary Fee Fund (451)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Committed Projects Reserve (Source)	40,000,000	3,731,384	3,731,384	3,731,384	3,731,384
Housing Project Reserve (Source)	3,500,000	5,499,000	5,499,000	5,499,000	1,950,590
Reserve for Encumbrances (Source)	17,073,278	17,073,278	5,042,215	5,042,215	5,042,215
Unrestricted Beginning Fund Balance (Source)	3,851,116	21,471,863	37,781,863	37,781,863	2,000,000
Total Beginning Fund Balance	64,424,394	47,775,525	52,054,462	52,054,462	12,724,189
Revenue from the Use of Money/Property					
Inclusionary Policy Loan Repayments	830,518	578,000	578,000	578,000	300,000
Interest	2,187,984	1,200,000	1,200,000	1,200,000	1,200,000
Total Revenue from the Use of Money/Property	3,018,502	1,778,000	1,778,000	1,778,000	1,500,000
Fees, Rates, and Charges					
Inclusionary Housing Application Fees	53,451	35,000	35,000	35,000	35,000
Rental Unit Determination Application Fee	60,832	30,000	30,000	30,000	30,000
Total Fees, Rates, and Charges	114,283	65,000	65,000	65,000	65,000
TOTAL SOURCE OF FUNDS	**67,557,179**	**49,618,525**	**53,897,462**	**53,897,462**	**14,289,189**
USE OF FUNDS					
Expenditures					
Housing Loans and Grants	15,194,264	20,569,616	40,801,566	40,801,566	0
Housing Personal Services	241,646	301,955	301,955	301,955	340,168
Overhead	34,271	38,562	38,562	38,562	47,707
PBCE Personal Services	20,237	24,534	24,534	24,534	22,960
Total Expenditures	15,490,418	20,934,667	41,166,617	41,166,617	410,835
Transfers					
Transfer to the City Hall Debt Service Fund	12,299	6,656	6,656	6,656	7,610
Total Transfers	12,299	6,656	6,656	6,656	7,610
Ending Fund Balance					
Committed Projects Reserve (Use)	3,731,384	3,731,384	3,731,384	3,731,384	3,731,384
Housing Project Reserve (Use)	5,499,000	5,500,000	1,950,590	1,950,590	3,150,539
Reserve for Encumbrances (Use)	5,042,215	17,073,278	5,042,215	5,042,215	5,042,215
Unrestricted Ending Fund Balance (Use)	37,781,863	2,372,540	2,000,000	2,000,000	1,946,606
Total Ending Fund Balance	52,054,462	28,677,202	12,724,189	12,724,189	13,870,744
TOTAL USE OF FUNDS	**67,557,179**	**49,618,525**	**53,897,462**	**53,897,462**	**14,289,189**

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Environmental Innovation Center Reserve (Source)	74,000	74,000	74,000	74,000	74,000
Operations and Maintenance Reserve (Source)	17,134,481	18,030,506	18,030,506	18,030,506	34,468,458
Reserve for Encumbrances (Source)	7,839,105	7,839,105	5,143,141	5,143,141	5,143,141
Unrestricted Beginning Fund Balance (Source)	23,060,684	25,114,769	28,559,675	28,559,675	6,441,540
Total Beginning Fund Balance	48,108,270	51,058,380	51,807,322	51,807,322	46,127,139
Licenses and Permits					
Franchise Applications	0	1,296	1,296	7,776	7,956
Total Licenses and Permits	0	1,296	1,296	7,776	7,956
Fines, Forfeitures, and Penalties					
CalGreen CDD Review Fee	199,376	210,000	210,000	253,502	0
CDDD Ineligible Refunds	699,787	697,439	697,439	697,439	1,579,168
Lien-Related	561,946	1,690,211	1,690,211	198,632	1,027,913
Total Fines, Forfeitures, and Penalties	1,461,109	2,597,650	2,597,650	1,149,573	2,607,081
Revenue from the Use of Money/Property					
Interest	1,686,870	1,144,000	1,144,000	1,800,000	1,179,150
Las Plumas Tenant	624,123	631,762	631,762	632,030	640,480
Total Revenue from the Use of Money/Property	2,310,993	1,775,762	1,775,762	2,432,030	1,819,630
Revenue from State of California					
CalRecycle CRV Grant Revenue	12,821	100,260	100,260	0	0
SB 332 Revenue	239,805	250,000	250,000	241,139	250,000
Total Revenue from State of California	252,626	350,260	350,260	241,139	250,000
Fees, Rates, and Charges					
AB 939 Fees	5,516,664	5,241,530	5,241,530	5,221,875	6,002,474
CalGreen CDD Review Fee	0	0	0	0	259,000
Miscellaneous Solid Waste	422,175	10,000	10,000	8,850	500
Recycle Plus Collection Charges	204,396,406	207,330,593	207,330,593	208,484,336	221,924,767
Total Fees, Rates, and Charges	210,335,245	212,582,123	212,582,123	213,715,061	228,186,741
Other Revenue					
Miscellaneous Solid Waste	329,677	284,274	284,274	328,329	314,698
Total Other Revenue	329,677	284,274	284,274	328,329	314,698
TOTAL SOURCE OF FUNDS	**262,797,920**	**268,649,745**	**269,398,687**	**269,681,230**	**279,313,245**
USE OF FUNDS					

* Actuals may not subtotal due to rounding.

Integrated Waste Management Fund (423)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Expenditures					
Banking Services	181,356	95,000	200,000	200,000	200,000
CalRecycle CRV Grant	10,019	100,260	110,663	110,663	0
CalRecycle SB1383 2024 Grant	394,864	1,991,720	1,732,628	1,732,628	0
CalRecycle SB1383 Grant	809,153	0	0	0	0
City Attorney Personal Services	197,131	198,583	198,583	196,024	179,946
City Manager Personal Services	0	19,202	19,202	19,202	18,795
Construction & Demolition (C&D) Reimbursement Program	0	0	0	0	185,800
County Revenue Collection Fee	1,583,817	2,059,264	2,059,264	2,059,263	2,059,264
Delinquent Lien Releases	5,620	10,000	10,000	8,200	8,200
Environmental Innovation Center	0	0	0	0	676,475
ESD Non-Personal/Equipment	4,573,850	4,161,091	5,505,491	6,062,591	4,499,401
ESD Personal Services	10,398,593	11,595,483	11,595,483	10,746,305	12,187,921
Finance Non-Personal/Equipment	15,807	112,500	112,500	16,043	112,500
Finance Personal Services	663,019	712,221	712,221	686,707	625,547
HR Personal Services	30,526	34,833	34,833	31,330	30,537
IDC Disposal Agreement	5,367,037	5,867,480	5,867,480	5,582,720	6,014,044
ITD Non-Personal/Equipment	22,761	316,137	316,137	172,044	252,137
ITD Personal Services	702,675	981,974	981,974	832,197	1,019,699
Multi-Family Recycle Plus	30,427,917	34,680,864	34,680,864	34,441,975	35,163,232
Overhead	2,989,840	3,337,651	3,337,651	3,337,651	3,163,610
PBCE Non-Personal/Equipment	3,856	14,585	17,353	2,004	15,462
PBCE Personal Services	216,506	228,420	228,420	252,427	255,668
PW Non-Personal/Equipment	51,510	124,703	124,703	116,874	5,003
PW Personal Services	506,084	527,188	527,188	540,188	209,345
Single Family Dwelling Processing	22,252,098	24,203,425	24,203,425	24,251,200	25,434,692
Single-Family Recycle Plus	93,262,625	93,789,957	93,789,957	93,789,957	99,920,559
Workers' Compensation Claims	77,355	137,000	137,000	137,000	105,000
Yard Trimming Collection/Processing	35,725,212	38,447,863	38,447,863	37,665,772	40,648,952
Zero Waste Innovations Grant Program	0	0	0	0	341,000
Total Expenditures	210,469,231	223,747,404	224,950,883	222,990,965	233,332,789
Transfers					
General Fund - Ineligible Construction Demolition Diversion Deposits	0	0	0	0	700,000
Transfer to the City Hall Debt Service Fund	521,367	563,124	563,124	563,124	645,020
Total Transfers	521,367	563,124	563,124	563,124	1,345,020
Ending Fund Balance					
Environmental Innovation Center Reserve (Use)	74,000	74,000	74,000	74,000	74,000
Operations and Maintenance Reserve (Use)	18,030,506	34,468,458	34,468,458	34,468,458	36,104,278
Reserve for Encumbrances (Use)	5,143,141	7,839,105	5,143,141	5,143,141	5,143,141
Unrestricted Ending Fund Balance (Use)	28,559,675	1,957,654	4,199,081	6,441,542	3,314,017
Total Ending Fund Balance	51,807,322	44,339,217	43,884,680	46,127,141	44,635,436
TOTAL USE OF FUNDS	**262,797,920**	**268,649,745**	**269,398,687**	**269,681,230**	**279,313,245**

* Actuals may not subtotal due to rounding.

Library Parcel Tax Fund (418)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations Reserve (Source)	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000
Reserve for Encumbrances (Source)	182,968	182,968	266,097	266,097	266,097
Unrestricted Beginning Fund Balance (Source)	2,352,295	2,629,768	3,216,405	3,216,405	1,763,962
Total Beginning Fund Balance	4,035,263	4,112,736	4,782,502	4,782,502	3,330,059
Revenue from the Use of Money/Property					
Interest	89,751	30,000	30,000	100,000	75,000
Total Revenue from the Use of Money/Property	89,751	30,000	30,000	100,000	75,000
Library Parcel Tax					
Library Parcel Tax Revenue	10,977,260	11,235,233	11,235,233	11,286,777	11,552,016
Total Library Parcel Tax	10,977,260	11,235,233	11,235,233	11,286,777	11,552,016
TOTAL SOURCE OF FUNDS	**15,102,274**	**15,377,969**	**16,047,735**	**16,169,279**	**14,957,075**
USE OF FUNDS					
Expenditures					
Annual Audit	15,733	17,000	17,000	17,000	17,000
HR Non-Personal/Equipment	12,000	14,000	14,000	14,000	14,000
HR Personal Services	75,914	79,009	79,009	79,009	90,986
Library Non-Personal/Equipment	906,224	2,111,176	2,111,176	1,400,000	2,046,243
Library Personal Services	9,271,649	9,795,495	9,795,495	9,795,495	9,992,327
Total Expenditures	10,281,520	12,016,680	12,016,680	11,305,504	12,160,556
Transfers					
Transfer to the City Hall Debt Service Fund	38,252	33,716	33,716	33,716	35,742
Transfer to the Library Parcel Tax Capital Fund	0	1,300,000	1,300,000	1,500,000	400,000
Total Transfers	38,252	1,333,716	1,333,716	1,533,716	435,742
Ending Fund Balance					
Operations Reserve (Use)	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Reserve for Encumbrances (Use)	266,097	182,968	266,097	266,097	266,097
Unrestricted Ending Fund Balance (Use)	3,216,405	544,605	1,131,242	1,763,962	794,680
Total Ending Fund Balance	4,782,502	2,027,573	2,697,339	3,330,059	2,360,777
TOTAL USE OF FUNDS	**15,102,274**	**15,377,969**	**16,047,735**	**16,169,279**	**14,957,075**

* Actuals may not subtotal due to rounding.

Low and Moderate Income Housing Asset Fund (346)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Committed Projects Reserve (Source)	6,228,863	316,413	316,413	316,413	316,413
Housing Project Reserve (Source)	17,287,550	20,634,387	10,735,510	10,735,510	34,230,196
Reserve for Encumbrances (Source)	48,203,150	48,203,150	32,401,187	32,401,187	32,401,187
Revenue Stabilization Reserve (Source)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Unrestricted Beginning Fund Balance (Source)	48,749,227	47,969,022	78,790,828	78,790,828	27,997,358
Total Beginning Fund Balance	128,468,790	125,122,972	130,243,938	130,243,938	102,945,154
Revenue from the Use of Money/Property					
Interest	4,248,960	4,500,000	4,500,000	4,500,000	4,500,000
Loan Repayments	18,189,479	10,000,000	46,695,648	46,695,648	12,000,000
Sale of Property	307,650	0	0	0	0
Total Revenue from the Use of Money/Property	22,746,089	14,500,000	51,195,648	51,195,648	16,500,000
Transfers					
Affordable Housing Impact Fee Fund	3,100,000	0	0	0	0
Real Property Transfer Tax Fund	0	0	22,875,000	22,875,000	0
Total Transfers	3,100,000	0	22,875,000	22,875,000	0
TOTAL SOURCE OF FUNDS	**154,314,879**	**139,622,972**	**204,314,586**	**204,314,586**	**119,445,154**
USE OF FUNDS					
Expenditures					
Affordable Housing Web Portal	176,793	0	7,344	7,344	0
Asset Management Services	153,314	1,500,000	1,600,027	1,600,027	1,600,000
City Attorney Non-Personal/Equipment	7,504	21,702	21,702	21,702	21,702
City Attorney Personal Services	1,068,813	1,482,202	1,482,202	1,200,000	1,345,887
City Manager Non-Personal/Equipment	18,375	18,375	18,375	18,375	18,375
Finance Personal Services	92,411	88,376	88,376	88,376	99,293
Homeless Services	122,442	250,000	250,000	250,000	250,000
Housing Loans and Grants	11,206,398	28,453,610	92,106,265	67,106,265	25,000,000
Housing Non-Personal/Equipment	1,355,984	1,698,058	1,698,058	1,698,058	1,703,058
Housing Personal Services	7,301,833	7,383,973	7,383,973	7,383,973	7,531,676
Housing Predevelopment Activity	160,724	5,000,000	7,631,084	7,631,084	3,000,000
HR Personal Services	24,990	46,507	46,507	46,507	153,832
ITD Non-Personal/Equipment	40,463	28,322	28,322	28,322	28,322
ITD Personal Services	239,314	217,204	217,204	217,204	220,365
OED Personal Services	0	118,486	118,486	118,486	121,903
Overhead	1,297,430	1,236,160	1,236,160	1,236,160	1,328,202
PBCE Non-Personal/Equipment	2,593	13,433	17,585	17,585	13,433
PBCE Personal Services	209,117	200,670	200,670	200,670	210,015
PW Non-Personal/Equipment	20,572	27,650	27,650	27,650	27,650

* Actuals may not subtotal due to rounding.

Low and Moderate Income Housing Asset Fund (346)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
PW Personal Services	240,606	233,624	233,624	233,624	249,689
Soft Story Seismic Retrofit Pilot Financing Program	0	0	1,616,900	1,616,900	0
Total Expenditures	23,739,676	48,018,352	116,030,514	90,748,312	42,923,402
Transfers					
Transfer to the City Hall Debt Service Fund	331,265	301,316	301,316	301,316	288,277
Transfer to the Real Property Transfer Tax Fund	0	0	10,319,804	10,319,804	0
Total Transfers	331,265	301,316	10,621,120	10,621,120	288,277
Ending Fund Balance					
Committed Projects Reserve (Use)	316,413	316,413	316,413	316,413	316,413
Housing Project Reserve (Use)	10,735,510	33,000,000	34,230,196	34,230,196	34,230,196
Reserve for Encumbrances (Use)	32,401,187	48,203,150	32,401,187	32,401,187	32,401,187
Revenue Stabilization Reserve (Use)	8,000,000	8,000,000	8,000,000	8,000,000	5,000,000
Unrestricted Ending Fund Balance (Use)	78,790,828	1,783,741	2,715,156	27,997,358	4,285,679
Total Ending Fund Balance	130,243,938	91,303,304	77,662,952	102,945,154	76,233,475
TOTAL USE OF FUNDS	**154,314,879**	**139,622,972**	**204,314,586**	**204,314,586**	**119,445,154**

* Actuals may not subtotal due to rounding.

Maintenance District No. 1 (Los Paseos) Fund (352)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	671,112	755,459	823,280	823,280	908,339
Total Beginning Fund Balance	671,112	755,459	823,280	823,280	908,339
Revenue from the Use of Money/Property					
Interest	23,564	15,000	15,000	25,000	25,000
Total Revenue from the Use of Money/Property	23,564	15,000	15,000	25,000	25,000
Special Assessments					
Special Assessments Revenue	471,227	435,000	435,000	435,000	477,400
Total Special Assessments	471,227	435,000	435,000	435,000	477,400
TOTAL SOURCE OF FUNDS	**1,165,903**	**1,205,459**	**1,273,280**	**1,283,280**	**1,410,739**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	183,219	192,500	192,500	192,500	194,500
DOT Personal Services	121,294	158,900	158,900	138,000	181,615
Overhead	38,110	44,441	44,441	44,441	48,193
Total Expenditures	342,623	395,841	395,841	374,941	424,308
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	823,280	809,618	877,439	908,339	986,431
Total Ending Fund Balance	823,280	809,618	877,439	908,339	986,431
TOTAL USE OF FUNDS	**1,165,903**	**1,205,459**	**1,273,280**	**1,283,280**	**1,410,739**

* Actuals may not subtotal due to rounding.

Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	143,580	94,809	85,767	85,767	72,791
Total Beginning Fund Balance	143,580	94,809	85,767	85,767	72,791
Revenue from the Use of Money/Property					
Interest	3,313	2,000	2,000	3,000	2,000
Total Revenue from the Use of Money/Property	3,313	2,000	2,000	3,000	2,000
Revenue from Local Agencies					
Other Assessment Revenue	6,028	0	0	0	0
Total Revenue from Local Agencies	6,028	0	0	0	0
Special Assessments					
Special Assessments Revenue	100,491	103,200	103,200	103,200	105,600
Total Special Assessments	100,491	103,200	103,200	103,200	105,600
Transfers					
General Fund	2,408	2,408	2,408	2,408	2,408
Total Transfers	2,408	2,408	2,408	2,408	2,408
TOTAL SOURCE OF FUNDS	**255,820**	**202,417**	**193,375**	**194,375**	**182,799**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	127,423	109,500	109,500	109,500	114,500
DOT Personal Services	23,849	10,358	10,358	9,000	10,415
Overhead	18,781	3,084	3,084	3,084	2,922
Total Expenditures	170,053	122,942	122,942	121,584	127,837
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	85,767	79,475	70,433	72,791	54,962
Total Ending Fund Balance	85,767	79,475	70,433	72,791	54,962
TOTAL USE OF FUNDS	**255,820**	**202,417**	**193,375**	**194,375**	**182,799**

* Actuals may not subtotal due to rounding.

Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	148,312	127,933	107,592	107,592	117,292
Total Beginning Fund Balance	148,312	127,933	107,592	107,592	117,292
Revenue from the Use of Money/Property					
Interest	3,437	3,000	3,000	3,000	3,500
Total Revenue from the Use of Money/Property	3,437	3,000	3,000	3,000	3,500
Special Assessments					
Special Assessments Revenue	105,785	108,600	108,600	108,600	111,100
Total Special Assessments	105,785	108,600	108,600	108,600	111,100
TOTAL SOURCE OF FUNDS	**257,534**	**239,533**	**219,192**	**219,192**	**231,892**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	59,979	73,200	73,200	73,200	66,200
DOT Personal Services	66,955	22,277	22,277	22,277	24,034
Overhead	23,008	6,423	6,423	6,423	5,826
Total Expenditures	149,942	101,900	101,900	101,900	96,060
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	107,592	137,633	117,292	117,292	135,832
Total Ending Fund Balance	107,592	137,633	117,292	117,292	135,832
TOTAL USE OF FUNDS	**257,534**	**239,533**	**219,192**	**219,192**	**231,892**

* Actuals may not subtotal due to rounding.

Maintenance District No. 8 (Zanker-Montague) Fund (361)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	2,627	2,627	1,693	1,693	1,693
Unrestricted Beginning Fund Balance (Source)	44,829	53,107	51,061	51,061	39,446
Total Beginning Fund Balance	47,456	55,734	52,754	52,754	41,139
Revenue from the Use of Money/Property					
Interest	886	500	500	1,000	850
Total Revenue from the Use of Money/Property	886	500	500	1,000	850
Special Assessments					
Special Assessments Revenue	128,696	133,300	133,300	133,300	136,300
Total Special Assessments	128,696	133,300	133,300	133,300	136,300
Transfers					
General Fund	2,353	2,353	2,353	2,353	2,353
Total Transfers	2,353	2,353	2,353	2,353	2,353
TOTAL SOURCE OF FUNDS	**179,391**	**191,887**	**188,907**	**189,407**	**180,642**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	65,062	86,200	86,200	86,200	80,200
DOT Personal Services	46,662	48,050	48,050	48,050	50,710
Overhead	14,913	14,018	14,018	14,018	13,246
Total Expenditures	126,637	148,268	148,268	148,268	144,156
Ending Fund Balance					
Reserve for Encumbrances (Use)	1,693	2,627	1,693	1,693	1,693
Unrestricted Ending Fund Balance (Use)	51,061	40,992	38,946	39,446	34,793
Total Ending Fund Balance	52,754	43,619	40,639	41,139	36,486
TOTAL USE OF FUNDS	**179,391**	**191,887**	**188,907**	**189,407**	**180,642**

* Actuals may not subtotal due to rounding.

Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	283,735	303,172	279,633	279,633	306,784
Total Beginning Fund Balance	283,735	303,172	279,633	279,633	306,784
Revenue from the Use of Money/Property					
Interest	8,642	8,000	8,000	8,700	9,000
Total Revenue from the Use of Money/Property	8,642	8,000	8,000	8,700	9,000
Special Assessments					
Special Assessments Revenue	200,941	210,400	210,400	210,400	215,300
Total Special Assessments	200,941	210,400	210,400	210,400	215,300
Transfers					
General Fund	23,480	23,480	23,480	23,480	23,480
Total Transfers	23,480	23,480	23,480	23,480	23,480
TOTAL SOURCE OF FUNDS	**516,798**	**545,052**	**521,513**	**522,213**	**554,564**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	159,593	134,800	134,800	134,800	136,800
DOT Personal Services	57,526	75,988	75,988	60,000	90,228
Overhead	20,046	20,629	20,629	20,629	24,428
Total Expenditures	237,165	231,417	231,417	215,429	251,456
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	279,633	313,635	290,096	306,784	303,108
Total Ending Fund Balance	279,633	313,635	290,096	306,784	303,108
TOTAL USE OF FUNDS	**516,798**	**545,052**	**521,513**	**522,213**	**554,564**

* Actuals may not subtotal due to rounding.

Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	160,211	133,506	151,322	151,322	113,975
Total Beginning Fund Balance	160,211	133,506	151,322	151,322	113,975
Revenue from the Use of Money/Property					
Interest	4,881	2,000	2,000	4,000	2,500
Total Revenue from the Use of Money/Property	4,881	2,000	2,000	4,000	2,500
Special Assessments					
Special Assessments Revenue	89,461	91,800	91,800	91,800	93,900
Total Special Assessments	89,461	91,800	91,800	91,800	93,900
Transfers					
General Fund	6,354	6,354	6,354	6,354	6,354
Total Transfers	6,354	6,354	6,354	6,354	6,354
TOTAL SOURCE OF FUNDS	**260,907**	**233,660**	**251,476**	**253,476**	**216,729**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	72,914	99,850	99,850	99,850	105,850
DOT Personal Services	27,346	30,717	30,717	30,717	31,304
Overhead	9,325	8,934	8,934	8,934	8,147
Total Expenditures	109,585	139,501	139,501	139,501	145,301
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	151,322	94,159	111,975	113,975	71,428
Total Ending Fund Balance	151,322	94,159	111,975	113,975	71,428
TOTAL USE OF FUNDS	**260,907**	**233,660**	**251,476**	**253,476**	**216,729**

* Actuals may not subtotal due to rounding.

Maintenance District No. 13 (Karina-O'Nel) Fund (366)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	226,155	255,392	254,431	254,431	285,714
Total Beginning Fund Balance	226,155	255,392	254,431	254,431	285,714
Revenue from the Use of Money/Property					
Interest	7,897	8,000	8,000	8,000	8,500
Total Revenue from the Use of Money/Property	7,897	8,000	8,000	8,000	8,500
Special Assessments					
Special Assessments Revenue	64,359	66,100	66,100	66,100	67,600
Total Special Assessments	64,359	66,100	66,100	66,100	67,600
TOTAL SOURCE OF FUNDS	**298,411**	**329,492**	**328,531**	**328,531**	**361,814**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	34,275	33,250	33,250	33,250	36,250
DOT Personal Services	7,105	7,426	7,426	7,426	9,244
Overhead	2,600	2,141	2,141	2,141	2,241
Total Expenditures	43,980	42,817	42,817	42,817	47,735
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	254,431	286,675	285,714	285,714	314,079
Total Ending Fund Balance	254,431	286,675	285,714	285,714	314,079
TOTAL USE OF FUNDS	**298,411**	**329,492**	**328,531**	**328,531**	**361,814**

* Actuals may not subtotal due to rounding.

Maintenance District No. 15 (Silver Creek Valley) Fund (368)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	465,333	738,610	712,248	712,248	711,540
Total Beginning Fund Balance	465,333	738,610	712,248	712,248	711,540
Revenue from the Use of Money/Property					
Interest	11,473	11,500	11,500	13,000	12,000
Total Revenue from the Use of Money/Property	11,473	11,500	11,500	13,000	12,000
Special Assessments					
Special Assessments Revenue	1,776,458	1,828,300	1,828,300	1,828,300	1,870,200
Total Special Assessments	1,776,458	1,828,300	1,828,300	1,828,300	1,870,200
Transfers					
General Fund	16,636	16,636	16,636	16,636	16,636
Storm Sewer Operating Fund	22,118	22,118	22,118	22,118	22,118
Total Transfers	38,754	38,754	38,754	38,754	38,754
TOTAL SOURCE OF FUNDS	**2,292,018**	**2,617,164**	**2,590,802**	**2,592,302**	**2,632,494**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	974,142	1,041,400	1,085,900	1,085,900	1,143,900
DOT Personal Services	463,535	614,077	614,077	614,077	640,050
Overhead	139,771	178,496	178,496	178,496	168,888
Total Expenditures	1,577,448	1,833,973	1,878,473	1,878,473	1,952,838
Transfers					
Transfer to the City Hall Debt Service Fund	2,322	2,289	2,289	2,289	2,810
Total Transfers	2,322	2,289	2,289	2,289	2,810
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	712,248	780,902	710,040	711,540	676,846
Total Ending Fund Balance	712,248	780,902	710,040	711,540	676,846
TOTAL USE OF FUNDS	**2,292,018**	**2,617,164**	**2,590,802**	**2,592,302**	**2,632,494**

* Actuals may not subtotal due to rounding.

Maintenance District No. 18 (The Meadowlands) Fund (372)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	247,793	285,244	294,164	294,164	350,397
Total Beginning Fund Balance	247,793	285,244	294,164	294,164	350,397
Revenue from the Use of Money/Property					
Interest	8,883	8,500	8,500	9,000	9,500
Total Revenue from the Use of Money/Property	8,883	8,500	8,500	9,000	9,500
Special Assessments					
Special Assessments Revenue	105,706	108,600	108,600	108,600	111,100
Total Special Assessments	105,706	108,600	108,600	108,600	111,100
TOTAL SOURCE OF FUNDS	**362,382**	**402,344**	**411,264**	**411,764**	**470,997**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	50,962	40,850	40,850	40,850	41,850
DOT Personal Services	13,130	15,865	15,865	15,865	16,514
Overhead	4,126	4,652	4,652	4,652	4,561
Total Expenditures	68,218	61,367	61,367	61,367	62,925
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	294,164	340,977	349,897	350,397	408,072
Total Ending Fund Balance	294,164	340,977	349,897	350,397	408,072
TOTAL USE OF FUNDS	**362,382**	**402,344**	**411,264**	**411,764**	**470,997**

* Actuals may not subtotal due to rounding.

Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	209,296	233,735	239,603	239,603	271,941
Total Beginning Fund Balance	209,296	233,735	239,603	239,603	271,941
Revenue from the Use of Money/Property					
Interest	6,422	6,000	6,000	7,500	8,000
Total Revenue from the Use of Money/Property	6,422	6,000	6,000	7,500	8,000
Special Assessments					
Special Assessments Revenue	196,943	204,200	204,200	204,200	208,900
Total Special Assessments	196,943	204,200	204,200	204,200	208,900
Transfers					
General Fund	6,195	6,195	6,195	6,195	6,195
Total Transfers	6,195	6,195	6,195	6,195	6,195
TOTAL SOURCE OF FUNDS	**418,856**	**450,130**	**455,998**	**457,498**	**495,036**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	139,692	144,050	144,050	144,050	141,050
DOT Personal Services	27,598	42,476	42,476	30,000	41,982
Overhead	11,963	11,507	11,507	11,507	10,458
Total Expenditures	179,253	198,033	198,033	185,557	193,490
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	239,603	252,097	257,965	271,941	301,546
Total Ending Fund Balance	239,603	252,097	257,965	271,941	301,546
TOTAL USE OF FUNDS	**418,856**	**450,130**	**455,998**	**457,498**	**495,036**

* Actuals may not subtotal due to rounding.

Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	6,237	11,140	26,263	26,263	33,807
Total Beginning Fund Balance	6,237	11,140	26,263	26,263	33,807
Revenue from the Use of Money/Property					
Interest	284	1,000	1,000	800	500
Total Revenue from the Use of Money/Property	284	1,000	1,000	800	500
Special Assessments					
Special Assessments Revenue	73,608	76,500	76,500	76,500	78,300
Total Special Assessments	73,608	76,500	76,500	76,500	78,300
Transfers					
General Fund	21,461	21,461	21,461	21,461	21,461
Total Transfers	21,461	21,461	21,461	21,461	21,461
TOTAL SOURCE OF FUNDS	**101,590**	**110,101**	**125,224**	**125,024**	**134,068**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	65,527	81,650	81,650	81,650	70,950
DOT Personal Services	7,105	7,426	7,426	7,426	7,394
Overhead	2,695	2,141	2,141	2,141	1,793
Total Expenditures	75,327	91,217	91,217	91,217	80,137
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	26,263	18,884	34,007	33,807	53,931
Total Ending Fund Balance	26,263	18,884	34,007	33,807	53,931
TOTAL USE OF FUNDS	**101,590**	**110,101**	**125,224**	**125,024**	**134,068**

* Actuals may not subtotal due to rounding.

Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	251,107	291,119	277,492	277,492	296,281
Total Beginning Fund Balance	251,107	291,119	277,492	277,492	296,281
Revenue from the Use of Money/Property					
Interest	8,361	7,000	7,000	8,500	8,500
Total Revenue from the Use of Money/Property	8,361	7,000	7,000	8,500	8,500
Special Assessments					
Special Assessments Revenue	119,496	122,700	122,700	122,700	125,500
Total Special Assessments	119,496	122,700	122,700	122,700	125,500
Transfers					
General Fund	8,996	8,996	8,996	8,996	8,996
Total Transfers	8,996	8,996	8,996	8,996	8,996
TOTAL SOURCE OF FUNDS	**387,960**	**429,815**	**416,188**	**417,688**	**439,277**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	69,438	79,900	79,900	79,900	92,900
DOT Personal Services	29,067	42,476	42,476	30,000	58,496
Overhead	11,963	11,507	11,507	11,507	15,019
Total Expenditures	110,468	133,883	133,883	121,407	166,415
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	277,492	295,932	282,305	296,281	272,862
Total Ending Fund Balance	277,492	295,932	282,305	296,281	272,862
TOTAL USE OF FUNDS	**387,960**	**429,815**	**416,188**	**417,688**	**439,277**

* Actuals may not subtotal due to rounding.

Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	66,200	54,423	50,269	50,269	64,353
Total Beginning Fund Balance	66,200	54,423	50,269	50,269	64,353
Revenue from the Use of Money/Property					
Interest	1,645	1,500	1,500	1,650	1,700
Total Revenue from the Use of Money/Property	1,645	1,500	1,500	1,650	1,700
Special Assessments					
Special Assessments Revenue	84,945	87,100	87,100	87,100	89,100
Total Special Assessments	84,945	87,100	87,100	87,100	89,100
Transfers					
General Fund	35,223	35,223	35,223	35,223	35,223
Total Transfers	35,223	35,223	35,223	35,223	35,223
TOTAL SOURCE OF FUNDS	**188,013**	**178,246**	**174,092**	**174,242**	**190,376**
USE OF FUNDS					
Expenditures					
DOT Non-Personal/Equipment	108,237	98,400	98,400	98,400	98,400
DOT Personal Services	21,011	9,479	9,479	9,000	10,628
Overhead	8,496	2,489	2,489	2,489	2,651
Total Expenditures	137,744	110,368	110,368	109,889	111,679
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	50,269	67,878	63,724	64,353	78,697
Total Ending Fund Balance	50,269	67,878	63,724	64,353	78,697
TOTAL USE OF FUNDS	**188,013**	**178,246**	**174,092**	**174,242**	**190,376**

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	4,681,122	4,681,122	3,534,497	3,534,497	3,534,497
Unrestricted Beginning Fund Balance (Source)	47,902,525	26,757,242	48,023,652	48,023,652	26,329,993
Total Beginning Fund Balance	52,583,647	31,438,364	51,558,149	51,558,149	29,864,490
Revenue from the Use of Money/Property					
Interest	2,114,520	1,200,000	1,200,000	1,300,000	1,150,000
Loan Repayments	478,102	500,000	500,000	500,000	400,000
Total Revenue from the Use of Money/Property	2,592,622	1,700,000	1,700,000	1,800,000	1,550,000
Revenue from Local Agencies					
County-SCCHA Subsidy for Arena Hotel	0	0	0	0	534,000
County of Santa Clara - Operating Subsidy for Pacific Motor Inn	0	1,728,000	1,728,000	1,728,000	1,555,200
HCA / Good Samaritan	0	0	3,000,000	3,000,000	0
Total Revenue from Local Agencies	0	1,728,000	4,728,000	4,728,000	2,089,200
Revenue from State of California					
Encampment Resolution Funding Grants	2,451,160	2,410,540	2,410,540	2,410,540	0
Eviction Diversion Program (Source)	667,207	0	0	0	0
PATH-CITED Grant	0	0	0	0	372,747
Project HomeKey Grant	6,642,395	0	0	0	0
Project HomeKey Grant 2.0	0	0	0	0	4,872,820
Total Revenue from State of California	9,760,762	2,410,540	2,410,540	2,410,540	5,245,567
Revenue from Federal Government					
Community Project Funding	0	0	0	0	3,500,000
Emergency Shelter Grants	899,139	877,625	879,278	879,278	658,211
HOPWA Grants	2,770,203	2,153,185	2,311,524	2,311,524	3,155,577
Total Revenue from Federal Government	3,669,342	3,030,810	3,190,802	3,190,802	7,313,788
Fees, Rates, and Charges					
Commercial Linkage Fee	25,944	15,000	15,000	15,000	15,000
Miscellaneous	26,287	75,000	75,000	75,000	30,000
Multi-Family Housing Fees and Charges	654,903	371,000	371,000	371,000	675,000
Rental Unit Determination Application Fee	0	40,000	40,000	40,000	0
Total Fees, Rates, and Charges	707,134	501,000	501,000	501,000	720,000
Other Revenue					
All Home Grant	500,000	0	0	0	0
Miscellaneous Revenue	24,780	0	0	0	0
Total Other Revenue	524,780	0	0	0	0

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Homeless Emergency Aid Program Fund	8,694	0	0	0	0
Real Property Transfer Tax Fund	5,950,744	0	0	0	0
Total Transfers	5,959,438	0	0	0	0
TOTAL SOURCE OF FUNDS	**75,797,725**	**40,808,714**	**64,088,491**	**64,188,491**	**46,783,045**
USE OF FUNDS					
Expenditures					
2017 Coyote Creek Flood Recovery Efforts	0	308,220	308,220	308,220	0
Arena Hotel Operations	0	0	0	0	534,000
Bridge Housing Communities	523,092	0	0	0	0
CalHome (BEGIN) Program	0	9,239,579	9,239,579	9,239,579	0
CalHome (Rehabilitation) Program	0	3,279,490	3,279,490	3,279,490	0
Capital Grant Program	13,293	0	0	0	0
City Attorney Personal Services	87,727	69,240	69,240	69,240	215,641
City Manager Personal Services	0	0	0	0	145,575
Emergency Shelter Grants	768,091	877,625	879,278	879,278	658,211
Emergency Shelters	111,088	2,765,380	4,755,380	4,755,380	0
Encampment Resolution Funding Grant	40,642	0	51,829	51,829	0
Encampment Resolution Funding Grant Round 3	2,410,542	2,410,540	2,445,199	2,445,199	0
Eviction Diversion Program	667,206	0	0	0	0
HCA Healthcare / Good Sam	0	0	3,000,000	3,000,000	0
Homeless Rapid Rehousing	2,163,476	775,647	1,404,895	1,404,895	811,589
Homelessness Prevention System	500,000	0	0	0	0
HOPWA GRANTS	1,541,514	2,153,185	2,311,524	2,311,524	1,869,366
HOPWA PSH	0	0	0	0	1,286,211
HOPWA-PSH 2024	462,497	28,888	28,888	28,888	33,432
Housing Loans and Grants	0	0	73,282	73,282	0
Housing Non-Personal/Equipment	76,155	109,547	2,184,389	2,184,389	34,547
Housing Personal Services	1,796,074	1,427,344	1,427,344	1,427,344	1,452,840
Hygiene/Infection Control	36,256	0	0	0	0
Job Readiness Training Project	(2,950)	0	0	0	0
Loan Administration	221,279	242,718	242,718	242,718	500,419
Neighborhood Investments - Microenterprise Program	0	0	0	0	500,000
Overhead	455,228	703,937	703,937	703,937	1,248,477
Pacific Motor Inn Operations	0	1,728,000	1,728,000	1,728,000	1,555,200
PATH-CITED Grant	0	0	0	0	372,747
Project HomeKey 2.0	12,308,228	0	0	0	4,872,820
Rock Springs Landlord Incentive	0	97,050	97,050	97,050	0
Total Expenditures	24,179,438	26,216,390	34,230,242	34,230,242	16,091,075
Transfers					

* Actuals may not subtotal due to rounding.

Multi-Source Housing Fund (448)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfer to the City Hall Debt Service Fund	51,444	93,759	93,759	93,759	73,495
Transfer to the Multi-Source Housing Fund	8,694	0	0	0	0
Transfer to the Real Property Transfer Tax Fund	0	0	0	0	3,500,000
Total Transfers	60,138	93,759	93,759	93,759	3,573,495
Ending Fund Balance					
Reserve for Encumbrances (Use)	3,534,497	4,681,122	3,534,497	3,534,497	3,534,497
Unrestricted Ending Fund Balance (Use)	48,023,652	9,817,443	26,229,993	26,329,993	23,583,978
Total Ending Fund Balance	51,558,149	14,498,565	29,764,490	29,864,490	27,118,475
TOTAL USE OF FUNDS	**75,797,725**	**40,808,714**	**64,088,491**	**64,188,491**	**46,783,045**

* Actuals may not subtotal due to rounding.

Municipal Golf Course Fund (518)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	606,227	1,693,806	1,923,620	1,923,620	2,981,620
Total Beginning Fund Balance	606,227	1,693,806	1,923,620	1,923,620	2,981,620
Revenue from the Use of Money/Property					
Interest	36,963	25,000	25,000	70,000	70,000
San Jose Golf Courses	1,287,851	1,000,000	1,000,000	1,000,000	1,200,000
Total Revenue from the Use of Money/Property	1,324,814	1,025,000	1,025,000	1,070,000	1,270,000
TOTAL SOURCE OF FUNDS	**1,931,041**	**2,718,806**	**2,948,620**	**2,993,620**	**4,251,620**
USE OF FUNDS					
Transfers					
Transfer to the General Fund - Golf Course Insurance Premium	7,421	12,000	12,000	12,000	12,000
Transfer to the General Fund - Parks and Trails Maintenance	0	0	0	0	1,500,000
Total Transfers	7,421	12,000	12,000	12,000	1,512,000
Ending Fund Balance					
Municipal Golf Courses Capital Projects Reserve	0	0	0	0	1,000,000
Unrestricted Ending Fund Balance (Use)	1,923,620	2,706,806	2,936,620	2,981,620	1,739,620
Total Ending Fund Balance	1,923,620	2,706,806	2,936,620	2,981,620	2,739,620
TOTAL USE OF FUNDS	**1,931,041**	**2,718,806**	**2,948,620**	**2,993,620**	**4,251,620**

* Actuals may not subtotal due to rounding.

Planning Development Fee Program Fund (238)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	128,058	128,058	87,459	87,459	87,459
Unrestricted Beginning Fund Balance (Source)	3,981,125	2,096,045	3,893,439	3,893,439	4,786,483
Total Beginning Fund Balance	4,109,183	2,224,103	3,980,898	3,980,898	4,873,942
Revenue from the Use of Money/Property					
Interest	202,002	50,000	50,000	246,410	150,000
Total Revenue from the Use of Money/Property	202,002	50,000	50,000	246,410	150,000
Fees, Rates, and Charges					
Planning Development Program Fees	7,855,571	8,462,827	8,462,827	8,837,371	8,716,712
Total Fees, Rates, and Charges	7,855,571	8,462,827	8,462,827	8,837,371	8,716,712
TOTAL SOURCE OF FUNDS	**12,166,756**	**10,736,930**	**12,493,725**	**13,064,679**	**13,740,654**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	431,364	417,159	417,159	447,722	434,865
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	26,384	48,322	48,322	23,556	34,122
Development Fee Program - Shared Resources Non-Personal/Equipment (PBCE)	34,753	126,971	133,891	40,000	115,263
Development Fee Program - Shared Resources Personal Services (Finance)	27,214	30,030	30,030	31,217	31,591
Development Fee Program - Shared Resources Personal Services (HR)	23,888	23,572	23,572	22,430	23,679
Development Fee Program - Shared Resources Personal Services (ITD)	154,043	152,946	152,946	151,507	152,031
Development Fee Program - Shared Resources Personal Services (PBCE)	252,803	261,306	261,306	260,700	262,330
HR Personal Services	0	0	0	0	31,971
Overhead	908,961	988,222	988,222	863,325	1,027,298
Planning Development Fee Program - Non-Personal/Equipment (PBCE)	246,184	243,023	243,023	256,996	245,523
Planning Development Fee Program - Personal Services (PBCE)	5,807,112	6,472,207	6,472,207	5,824,986	6,406,949
Planning Development Fee Program - Personal Services (PW)	46,932	49,239	49,239	52,404	50,326
Total Expenditures	7,959,638	8,812,997	8,819,917	7,974,843	8,815,948
Transfers					
Transfer to the City Hall Debt Service Fund	226,220	215,894	215,894	215,894	217,032

* Actuals may not subtotal due to rounding.

Planning Development Fee Program Fund (238)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Total Transfers	226,220	215,894	215,894	215,894	217,032
Ending Fund Balance					
Reserve for Encumbrances (Use)	87,459	128,058	87,459	87,459	87,459
Unrestricted Ending Fund Balance (Use)	3,893,439	1,579,981	3,370,455	4,786,483	4,620,215
Total Ending Fund Balance	3,980,898	1,708,039	3,457,914	4,873,942	4,707,674
TOTAL USE OF FUNDS	**12,166,756**	**10,736,930**	**12,493,725**	**13,064,679**	**13,740,654**

* Actuals may not subtotal due to rounding.

Police Retiree Healthcare Trust Fund (125)

STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actual	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	214,034,000	237,835,000	245,281,000	245,281,000	265,794,000
Total Beginning Fund Balance	214,034,000	237,835,000	245,281,000	245,281,000	265,794,000
Revenue from the Use of Money/Property					
Investment Income	25,322,000	14,834,000	14,834,000	14,886,000	16,563,000
Total Revenue from the Use of Money/Property	25,322,000	14,834,000	14,834,000	14,886,000	16,563,000
Transfers					
City Contributions	18,015,000	18,857,000	18,857,000	18,938,000	20,583,000
Total Transfers	18,015,000	18,857,000	18,857,000	18,938,000	20,583,000
TOTAL SOURCE OF FUNDS	**257,371,000**	**271,526,000**	**278,972,000**	**279,105,000**	**302,940,000**
USE OF FUNDS					
Expenditures					
Health Insurance	12,032,000	7,685,000	7,685,000	13,241,000	14,259,000
Professional Fees	58,000	70,000	70,000	70,000	70,000
Total Expenditures	12,090,000	7,755,000	7,755,000	13,311,000	14,329,000
Ending Fund Balance					
Reserve for Claims (Use)	245,281,000	263,771,000	271,217,000	265,794,000	288,611,000
Total Ending Fund Balance	245,281,000	263,771,000	271,217,000	265,794,000	288,611,000
TOTAL USE OF FUNDS	**257,371,000**	**271,526,000**	**278,972,000**	**279,105,000**	**302,940,000**

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/15/26.

Police and Fire Retirement Fund (135)

STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actual	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Claims (Source)	5,102,405,000	5,308,113,000	5,575,800,000	5,575,800,000	5,806,711,600
Total Beginning Fund Balance	5,102,405,000	5,308,113,000	5,575,800,000	5,575,800,000	5,806,711,600
Revenue from the Use of Money/Property					
Participant Income	46,513,000	47,978,000	47,978,000	47,980,000	52,174,000
Investment Income	538,856,000	288,385,000	288,385,000	307,799,000	319,288,000
Total Revenue from the Use of Money/Property	585,369,000	336,363,000	336,363,000	355,779,000	371,462,000
Transfers					
City Contributions	218,752,000	217,801,000	217,801,000	218,725,000	221,779,000
1970 COLA	400	800	800	300	800
1980 COLA	3,500	3,500	3,500	1,900	3,500
1990 COLA	3,000	3,700	3,700	2,200	3,700
Total Transfers	218,758,900	217,809,000	217,809,000	218,729,400	221,787,000
TOTAL SOURCE OF FUNDS	**5,906,532,900**	**5,862,285,000**	**6,129,972,000**	**6,150,308,400**	**6,399,960,600**
USE OF FUNDS					
Expenditures					
Retirement Personal Services	5,064,000	5,581,000	5,581,000	5,548,800	5,895,000
Retirement Non-Personal/Equipment	1,325,000	824,000	824,000	715,600	835,000
Benefits	306,618,000	320,371,000	320,371,000	318,170,000	335,444,000
Health Insurance	16,322,000	21,205,000	21,205,000	17,961,000	19,343,000
Professional Fees	1,397,000	1,996,000	1,996,000	1,197,000	1,951,000
1970 COLA	400	800	800	300	800
1980 COLA	3,500	3,500	3,500	1,900	3,500
1990 COLA	3,000	3,700	3,700	2,200	3,700
Total Expenditures	330,732,900	349,985,000	349,985,000	343,596,800	363,476,000
Ending Fund Balance					
Reserve for Claims (Use)	5,575,800,000	5,512,300,000	5,779,987,000	5,806,711,600	6,036,484,600
Total Ending Fund Balance	5,575,800,000	5,512,300,000	5,779,987,000	5,806,711,600	6,036,484,600
TOTAL USE OF FUNDS	**5,906,532,900**	**5,862,285,000**	**6,129,972,000**	**6,150,308,400**	**6,399,960,600**

This Statement of Source and Use is for display purposes only. The Police and Fire Retirement Plan Board of Administration approved the annual administrative budget on 4/15/26. It should be noted that the personal services costs reflected in this statement can vary from the budget presented to the Board due to revised salary, retirement, and benefit costs when compared to those that were projected in March.

Public Works Development Fee Program Fund (241)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	76,097	76,097	50,863	50,863	50,863
Unrestricted Beginning Fund Balance (Source)	5,965,319	2,518,902	6,307,969	6,307,969	10,901,026
Total Beginning Fund Balance	6,041,416	2,594,999	6,358,832	6,358,832	10,951,889
Revenue from the Use of Money/Property					
Interest	218,013	125,000	125,000	420,000	150,000
Total Revenue from the Use of Money/Property	218,013	125,000	125,000	420,000	150,000
Fees, Rates, and Charges					
Public Works Development Program Fees	9,977,728	7,811,000	7,811,000	12,780,000	8,169,000
Public Works Utility Program Fees	11,062,608	11,770,000	11,890,000	12,820,000	12,123,000
Total Fees, Rates, and Charges	21,040,336	19,581,000	19,701,000	25,600,000	20,292,000
Transfers					
Public Works Small Cell Permitting Fee Program Fund	0	550,841	1,197,700	1,197,700	0
Total Transfers	0	550,841	1,197,700	1,197,700	0
TOTAL SOURCE OF FUNDS	**27,299,765**	**22,851,840**	**27,382,532**	**33,576,532**	**31,393,889**
USE OF FUNDS					
Expenditures					
Development Fee Program - Shared Resources Non-Personal/Equipment (ITD)	69,999	129,831	129,831	52,000	73,031
Development Fee Program - Shared Resources Personal Services (Finance)	15,491	17,130	17,130	17,130	17,982
Development Fee Program - Shared Resources Personal Services (ITD)	285,516	264,091	264,091	260,000	260,071
ITD Non-Personal/Equipment	849	0	0	0	0
Overhead	3,513,096	3,259,569	3,259,569	3,559,569	3,356,818
Public Works Development Fee Program - Non-Personal/Equipment (PBCE)	82,074	159,920	175,144	162,000	85,223
Public Works Development Fee Program - Non-Personal/Equipment (PW)	193,156	339,907	459,907	459,907	354,907
Public Works Development Fee Program - Personal Services (OED)	58,328	79,967	79,967	161,000	81,958
Public Works Development Fee Program - Personal Services (PBCE)	119,001	377,506	377,506	126,000	120,252
Public Works Development Fee Program - Personal Services (PW)	16,373,401	15,656,502	15,656,502	17,600,000	16,778,780
Total Expenditures	20,710,911	20,284,423	20,419,647	22,397,606	21,129,022

* Actuals may not subtotal due to rounding.

Public Works Development Fee Program Fund (241)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Transfer to the City Hall Debt Service Fund	230,022	227,037	227,037	227,037	244,538
Total Transfers	230,022	227,037	227,037	227,037	244,538
Ending Fund Balance					
Reserve for Encumbrances (Use)	50,863	76,097	50,863	50,863	50,863
Unrestricted Ending Fund Balance (Use)	6,307,969	2,264,283	6,684,985	10,901,026	9,969,466
Total Ending Fund Balance	6,358,832	2,340,380	6,735,848	10,951,889	10,020,329
TOTAL USE OF FUNDS	**27,299,765**	**22,851,840**	**27,382,532**	**33,576,532**	**31,393,889**

* Actuals may not subtotal due to rounding.

Public Works Program Support Fund (150)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	58,793	58,793	51,559	51,559	51,559
Unrestricted Beginning Fund Balance (Source)	1,746,361	3,531,834	5,127,130	5,127,130	5,894,670
Total Beginning Fund Balance	1,805,154	3,590,627	5,178,689	5,178,689	5,946,229
Revenue from the Use of Money/Property					
Interest	224,441	40,000	40,000	200,000	200,000
Total Revenue from the Use of Money/Property	224,441	40,000	40,000	200,000	200,000
Transfers					
Capital Program Support	5,599,627	4,384,000	4,384,000	3,650,000	3,364,888
Compensated Absence	14,910,319	14,000,000	14,000,000	15,600,000	17,000,000
Public Works Program Support	10,246,655	10,167,000	10,167,000	10,915,000	9,578,000
Total Transfers	30,756,601	28,551,000	28,551,000	30,165,000	29,942,888
TOTAL SOURCE OF FUNDS	**32,786,196**	**32,181,627**	**33,769,689**	**35,543,689**	**36,089,117**
USE OF FUNDS					
Expenditures					
Capital Program Staff Training	27,843	50,000	50,000	50,000	50,000
Capital Support Vehicle Program	26,989	450,000	450,000	450,000	450,000
Compensated Time Off	14,835,148	14,000,000	14,000,000	16,100,000	17,000,000
Finance Non-Personal/Equipment	16,516	20,000	20,000	5,000	20,000
HR Personal Services	187,294	229,842	229,842	220,000	212,298
ITD Non-Personal/Equipment	3,662	18,450	18,450	7,000	3,654
ITD Personal Services	90,437	86,370	86,370	107,000	86,998
Overhead	1,923,171	1,996,460	1,996,460	1,996,460	1,967,233
PW Non-Personal/Equipment	1,056,256	811,596	811,596	962,000	856,596
PW Personal Services	9,440,191	9,233,173	9,233,173	9,700,000	9,296,109
Total Expenditures	27,607,507	26,895,891	26,895,891	29,597,460	29,942,888
Ending Fund Balance					
Reserve for Encumbrances (Use)	51,559	58,793	51,559	51,559	51,559
Unrestricted Ending Fund Balance (Use)	5,127,130	5,226,943	6,822,239	5,894,670	6,094,670
Total Ending Fund Balance	5,178,689	5,285,736	6,873,798	5,946,229	6,146,229
TOTAL USE OF FUNDS	**32,786,196**	**32,181,627**	**33,769,689**	**35,543,689**	**36,089,117**

* Actuals may not subtotal due to rounding.

Public Works Small Cell Permitting Fee Program Fund (242)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	559,689	550,841	1,197,700	1,197,700	0
Total Beginning Fund Balance	559,689	550,841	1,197,700	1,197,700	0
Revenue from the Use of Money/Property					
Interest	33,723	0	0	0	0
Total Revenue from the Use of Money/Property	33,723	0	0	0	0
Fees, Rates, and Charges					
Public Works Small Cell Permitting Program Fees	613,136	0	0	0	0
Total Fees, Rates, and Charges	613,136	0	0	0	0
TOTAL SOURCE OF FUNDS	**1,206,548**	**550,841**	**1,197,700**	**1,197,700**	**0**
USE OF FUNDS					
Transfers					
Transfer to the City Hall Debt Service Fund	8,848	0	0	0	0
Transfer to the Public Works Development Fee Program Fund	0	550,841	1,197,700	1,197,700	0
Total Transfers	8,848	550,841	1,197,700	1,197,700	0
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	1,197,700	0	0	0	0
Total Ending Fund Balance	1,197,700	0	0	0	0
TOTAL USE OF FUNDS	**1,206,548**	**550,841**	**1,197,700**	**1,197,700**	**0**

* Actuals may not subtotal due to rounding.

Real Property Transfer Tax Fund (404)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Future Affordable Housing Development - 60% AMI Reserve (Source)	0	0	0	0	10,319,804
Measure E - 10% Homeless Prevention and Rental Assistance Reserve (Source)	0	2,429,558	2,429,558	2,429,558	478,461
Measure E - 15% Homeless Support Programs Reserve (Source)	0	67,865	67,865	67,865	3,910,926
Measure E - 15% Interim Housing Maintenance Reserve (Source)	0	2,500,000	2,250,000	2,250,000	2,250,000
Measure E - 30% Low-Income Households Reserve (Source)	0	24,774,918	24,774,918	24,774,918	4,741,754
Measure E - 40% Extremely Low-Income Households Reserve (Source)	0	31,436,761	31,436,761	31,436,761	19,045,447
Measure E - 5% Moderate-Income Households Reserve (Source)	0	496,577	496,577	496,577	6,166
Reserve for Encumbrances (Source)	0	0	23,931,603	23,931,603	23,931,603
Unrestricted Beginning Fund Balance (Source)	0	79,272,090	85,587,215	85,587,215	0
Total Beginning Fund Balance	0	140,977,769	170,974,497	170,974,497	64,684,161
Revenue from the Use of Money/Property					
Interest	2,834,457	1,300,000	2,000,000	3,465,543	4,000,000
Total Revenue from the Use of Money/Property	2,834,457	1,300,000	2,000,000	3,465,543	4,000,000
Real Property Transfer Tax					
Measure E - Real Property Transfer Tax	47,676,778	55,000,000	55,000,000	59,000,000	55,000,000
Total Real Property Transfer Tax	47,676,778	55,000,000	55,000,000	59,000,000	55,000,000
Transfers					
General Fund	160,539,241	0	2,138,780	2,138,780	0
Low and Moderate Income Housing Asset Fund	0	0	10,319,804	10,319,804	0
Multi-Source Housing Fund	0	0	0	0	3,500,000
Total Transfers	160,539,241	0	12,458,584	12,458,584	3,500,000
TOTAL SOURCE OF FUNDS	**211,050,476**	**197,277,769**	**240,433,081**	**245,898,624**	**127,184,161**
USE OF FUNDS					
Expenditures					
Eviction Prevention (10% HPRA)	0	797,716	797,716	797,716	794,424
Homeless Prevention and Rental Assistance (10% HPRA)	0	5,225,000	6,800,000	6,800,000	4,430,576
Homeless Rapid Rehousing (15% HSP)	0	4,000,000	4,000,000	4,000,000	0
Interim Housing - Cherry	2,105,771	3,337,000	1,894,230	1,894,230	0

* Actuals may not subtotal due to rounding.

Real Property Transfer Tax Fund (404)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Interim Housing Construction and Operations (15% HSP)	2,410,851	25,000,000	31,055,996	31,055,996	42,750,000
Lived in Vehicle Safe Parking Site (15% HSP)	0	1,000,000	1,000,000	1,000,000	0
Lower Income Voucher Equity Program (Lower-Income)	0	0	10,319,804	10,319,804	0
Lower Income Voucher Equity Program (Moderate-Income)	0	0	890,000	890,000	0
Measure E - 5% Program Administration	2,488,440	2,750,000	2,750,000	2,750,000	2,750,000
Measure E - Homeless Response and Outreach Staffing (15% HSP)	765,876	269,885	61,644	61,644	0
Measure E - Homelessness Coordination Team (Program Admin)	685,822	675,024	973,996	973,996	0
Measure E - Housing Homeless Response Staff (Program Admin)	585,314	776,863	1,263,173	1,263,173	0
Measure E - Interim Housing Maintenance (15% HSP)	2,036,057	2,170,319	2,190,638	2,190,638	2,271,926
Measure E - Interim Shelter Site Identification and Development (15% HSP)	146,908	443,522	1,528,102	1,528,102	0
Measure E - Project HomeKey 2.0 (40% ELI)	5,225,162	5,920,073	6,907,945	6,907,945	0
Measure E - 30% Low-Income Households	0	29,217,865	26,002,355	26,002,355	0
Measure E - 40% Extremely Low-Income Households	0	21,969,800	24,245,310	24,245,310	0
Measure E - 5% Moderate-Income Households	1,408,879	3,149,058	3,399,058	3,399,058	0
Measure E - Homeless Support Programs (15% HSP)	0	0	0	0	853,959
Measure E - Interim Housing Construction & Ops. - Surestay Operations (15% HSP)	2,272,533	1,000,000	2,288,411	2,288,411	0
Measure E - Rental Assistance (10% HPRA)	5,952,885	0	0	0	0
Measure E - SJ Bridge	0	0	0	0	1,000,000
Measure E - Supportive Parking Site Berryessa Road (15% HSP)	1,434,723	1,759,500	1,759,500	1,759,500	1,821,082
Measure E - Supportive Services - CARE Coordination Program (15% HSP)	500,000	0	0	0	0
Measure E - Supportive Services - Overnight Warming Locations (15% HSP)	216,315	0	11,010	11,010	1,200,000
Measure E - SureStay Hotel Repairs (40% ELI)	0	4,000,000	4,000,000	4,000,000	0
Outreach, Sanitation and Other Support Services (15% HSP)	1,164,182	4,713,000	5,356,400	5,356,400	3,500,000
PRNS Non-Personal/Equipment (15% HSP)	0	6,263,272	6,263,272	6,263,272	245,000
PRNS Personal Services	0	424,228	424,228	424,228	0
PW Non-Personal/Equipment	0	0	0	0	400,000
Recreational Vehicle Pollution Prevention Program (15% HSP)	1,385,720	0	39,279	39,279	0
Safe or Alternative Sleeping Sites (15% HSP)	2,039,797	7,300,000	7,117,396	7,117,396	0
Total Expenditures	32,825,235	132,162,125	153,339,463	153,339,463	62,016,967

* Actuals may not subtotal due to rounding.

Real Property Transfer Tax Fund (404)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Transfers					
Transfer to the General Fund - Interest Income	1,300,000	1,300,000	3,534,457	5,000,000	4,000,000
Transfer to the Low and Moderate Income Housing Asset Fund	0	0	22,875,000	22,875,000	0
Transfer to the Multi-Source Housing Fund	5,950,744	0	0	0	0
Total Transfers	7,250,744	1,300,000	26,409,457	27,875,000	4,000,000
Ending Fund Balance					
Future Affordable Housing Development - 60% AMI Reserve	0	0	10,319,804	10,319,804	10,319,804
Measure E - 10% Homeless Prevention and Rental Assistance Reserve (Use)	2,429,558	1,631,842	78,461	478,461	478,461
Measure E - 15% Homeless Support Programs Reserve (Use)	67,865	2,975,546	310,926	3,910,926	793,959
Measure E - 15% Interim Housing Maintenance Reserve (Use)	2,250,000	2,500,000	2,250,000	2,250,000	1,850,000
Measure E - 30% Low-Income Households Reserve (Use)	24,774,918	24,774,918	4,741,754	4,741,754	4,741,754
Measure E - 40% Extremely Low-Income Households Reserve (Use)	31,436,761	31,436,761	19,045,447	19,045,447	19,045,447
Measure E - 5% Moderate-Income Households Reserve (Use)	496,577	496,577	6,166	6,166	6,166
Reserve for Encumbrances (Use)	23,931,603	0	23,931,603	23,931,603	23,931,603
Unrestricted Ending Fund Balance (Use)	85,587,215	0	0	0	0
Total Ending Fund Balance	170,974,497	63,815,644	60,684,161	64,684,161	61,167,194
TOTAL USE OF FUNDS	**211,050,476**	**197,277,769**	**240,433,081**	**245,898,624**	**127,184,161**

* Actuals may not subtotal due to rounding.

Rental Stabilization Program Fee Fund (450)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	135,495	135,495	127,812	127,812	127,812
Unrestricted Beginning Fund Balance (Source)	2,027,654	1,084,075	2,654,298	2,654,298	1,953,264
Total Beginning Fund Balance	2,163,149	1,219,570	2,782,110	2,782,110	2,081,076
Fines, Forfeitures, and Penalties					
Apartment Rent Ordinance Fee	214,193	0	0	0	0
Total Fines, Forfeitures, and Penalties	214,193	0	0	0	0
Revenue from the Use of Money/Property					
Interest	42,382	13,000	13,000	13,000	13,000
Total Revenue from the Use of Money/Property	42,382	13,000	13,000	13,000	13,000
Fees, Rates, and Charges					
Apartment Rent Ordinance Fee	2,851,144	2,958,417	2,958,417	2,958,417	2,958,417
Ellis Act Fee	0	3,576	3,576	3,576	3,576
Mobilehome Ordinance Fee	321,570	343,520	343,520	343,520	343,520
Tenant Protection Ordinance Fee	1,447,724	1,094,156	1,094,156	1,094,156	1,094,156
Total Fees, Rates, and Charges	4,620,438	4,399,669	4,399,669	4,399,669	4,399,669
TOTAL SOURCE OF FUNDS	**7,040,162**	**5,632,239**	**7,194,779**	**7,194,779**	**6,493,745**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	309,290	275,195	275,195	275,195	279,306
Housing Non-Personal/Equipment	318,118	353,515	353,515	353,515	353,515
Housing Personal Services	2,939,910	3,559,571	3,559,571	3,559,571	3,350,124
Overhead	511,101	488,520	488,520	488,520	487,832
PBCE Personal Services	50,711	68,357	68,357	68,357	70,286
Responsible Landlord Engagement Initiative	0	250,000	250,000	250,000	250,000
Total Expenditures	4,129,130	4,995,158	4,995,158	4,995,158	4,791,063
Transfers					
Transfer to the City Hall Debt Service Fund	128,922	118,545	118,545	118,545	100,322
Total Transfers	128,922	118,545	118,545	118,545	100,322
Ending Fund Balance					
Reserve for Encumbrances (Use)	127,812	135,495	127,812	127,812	127,812
Unrestricted Ending Fund Balance (Use)	2,654,298	383,041	1,953,264	1,953,264	1,474,548
Total Ending Fund Balance	2,782,110	518,536	2,081,076	2,081,076	1,602,360
TOTAL USE OF FUNDS	**7,040,162**	**5,632,239**	**7,194,779**	**7,194,779**	**6,493,745**

* Actuals may not subtotal due to rounding.

San José Arena Capital Reserve Fund (459)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Previously Approved Repairs Reserve (Source)	0	560,774	560,774	560,774	1,013,467
Unrestricted Beginning Fund Balance (Source)	5,791,988	2,331,452	5,216,110	5,216,110	351,879
Total Beginning Fund Balance	5,791,988	2,892,226	5,776,884	5,776,884	1,365,346
Revenue from the Use of Money/Property					
Interest	185,427	190,000	190,000	190,000	50,000
San Jose Arena Management	1,420,000	1,420,000	1,420,000	1,420,000	0
Total Revenue from the Use of Money/Property	1,605,427	1,610,000	1,610,000	1,610,000	50,000
Transfers					
General Fund (Arena Revenue)	2,300,000	2,300,000	2,300,000	2,300,000	0
Total Transfers	2,300,000	2,300,000	2,300,000	2,300,000	0
TOTAL SOURCE OF FUNDS	**9,697,415**	**6,802,226**	**9,686,884**	**9,686,884**	**1,415,346**
USE OF FUNDS					
Expenditures					
Electrical Repairs	1,760,529	1,425,000	1,922,832	1,922,832	175,000
Mechanical Repairs	1,065,989	3,705,000	4,374,584	4,374,584	395,000
Miscellaneous Repairs	73,564	440,000	440,000	440,000	55,000
Structures Repairs	883,931	115,000	1,263,464	1,263,464	75,000
Unanticipated / Emergency Repairs	136,518	200,000	320,658	320,658	200,000
Total Expenditures	3,920,531	5,885,000	8,321,538	8,321,538	900,000
Ending Fund Balance					
Previously Approved Repairs Reserve (Use)	560,774	560,774	1,013,467	1,013,467	0
Unrestricted Ending Fund Balance (Use)	5,216,110	356,452	351,879	351,879	515,346
Total Ending Fund Balance	5,776,884	917,226	1,365,346	1,365,346	515,346
TOTAL USE OF FUNDS	**9,697,415**	**6,802,226**	**9,686,884**	**9,686,884**	**1,415,346**

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations Reserve (Source)	136,000,000	219,000,000	219,000,000	219,000,000	234,000,000
Rate Stabilization Reserve (Source)	50,000,000	50,000,000	106,000,000	106,000,000	81,458,000
Reserve for Encumbrances (Source)	40,656,286	40,656,286	5,423,060	5,423,060	5,423,060
Unrestricted Beginning Fund Balance (Source)	82,139,598	42,512,541	51,385,599	51,385,599	38,065,607
Total Beginning Fund Balance	308,795,884	352,168,827	381,808,659	381,808,659	358,946,667
Revenue from the Use of Money/Property					
Interest	9,040,081	7,500,000	7,500,000	9,800,000	7,290,000
Total Revenue from the Use of Money/Property	9,040,081	7,500,000	7,500,000	9,800,000	7,290,000
Revenue from State of California					
Arrearage Management Program	0	0	0	1,250,000	1,250,000
State Energy Grants	2,753,328	4,185,254	4,423,576	1,173,576	0
Total Revenue from State of California	2,753,328	4,185,254	4,423,576	2,423,576	1,250,000
Revenue from Federal Government					
Federal Energy Grants	231,000	297,000	466,063	466,063	0
Total Revenue from Federal Government	231,000	297,000	466,063	466,063	0
Fees, Rates, and Charges					
Deferred Revenue	56,000,000	0	0	(24,542,000)	(81,458,000)
Energy Sales	445,948,959	465,000,000	465,000,000	405,058,000	346,458,000
Total Fees, Rates, and Charges	501,948,959	465,000,000	465,000,000	380,516,000	265,000,000
Other Revenue					
Electrification Workforce Development Program	0	740,000	740,000	340,000	400,000
Energy Suppliers Contractual Obligations	20,607,014	0	0	(4,140,942)	0
Miscellaneous	21,934	0	0	1,200,000	0
Total Other Revenue	20,628,948	740,000	740,000	(2,600,942)	400,000
TOTAL SOURCE OF FUNDS	**843,398,200**	**829,891,081**	**859,938,298**	**772,413,356**	**632,886,667**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	1,051,703	1,105,271	1,105,271	1,105,271	1,117,219
City Manager Personal Services	205,389	192,011	192,011	192,011	187,943
Cost of Energy	427,746,818	423,200,000	423,200,000	367,401,000	336,100,000
Debt Service - Interest - CP	501,293	347,000	347,000	347,000	301,000
Disadvantaged Communities - Green Tariff	534,662	935,254	1,173,576	1,173,576	0
Electrification Workforce Development Programs	0	740,000	740,000	340,000	400,000
Energy Efficiency and Conservation Block Grant	231,000	297,000	466,063	466,063	0

* Actuals may not subtotal due to rounding.

San José Clean Energy Operating Fund (501)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Energy Efficiency Programs	182,314	0	0	0	0
Energy Non-Personal/Equipment	12,490,612	24,969,299	24,969,299	21,650,000	10,361,112
Energy Personal Services	12,364,638	14,351,755	14,351,755	14,500,000	15,460,466
Finance Non-Personal/Equipment	26,500	30,500	30,500	30,500	30,500
Finance Personal Services	252,371	256,683	256,683	256,683	261,201
ITD Personal Services	237,226	233,799	233,799	233,799	241,084
Letter of Credit Fees	1,536,616	1,800,000	1,800,000	1,250,000	1,300,000
Overhead	2,378,092	2,687,386	2,687,386	2,687,386	2,682,662
Pacific Gas & Electric Security Fees	1,369,068	1,520,000	1,520,000	1,645,000	1,520,000
San Jose Clean Energy Audits	91,691	130,650	130,650	100,000	102,000
Solar Access Program	0	750,000	750,000	0	0
Total Expenditures	461,199,992	473,546,608	473,953,993	413,378,289	370,065,187
Transfers					
Transfer to the City Hall Debt Service Fund	389,549	88,400	88,400	88,400	93,124
Total Transfers	389,549	88,400	88,400	88,400	93,124
Ending Fund Balance					
Operations Reserve (Use)	219,000,000	234,000,000	234,000,000	234,000,000	234,000,000
Rate Stabilization Reserve (Use)	106,000,000	50,000,000	106,000,000	81,458,000	0
Reserve for Encumbrances (Use)	5,423,060	40,656,286	5,423,060	5,423,060	5,423,060
Unrestricted Ending Fund Balance (Use)	51,385,599	31,599,787	40,472,845	38,065,607	23,305,296
Total Ending Fund Balance	381,808,659	356,256,073	385,895,905	358,946,667	262,728,356
TOTAL USE OF FUNDS	**843,398,200**	**829,891,081**	**859,938,298**	**772,413,356**	**632,886,667**

* Actuals may not subtotal due to rounding.

San José Opioid Response Fund (130)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	378,200	378,200	39,886	39,886	39,886
Unrestricted Beginning Fund Balance (Source)	(162,348)	260,852	253,198	253,198	0
Total Beginning Fund Balance	215,852	639,052	293,084	293,084	39,886
Revenue from the Use of Money/Property					
Interest	77,232	50,000	50,000	55,000	50,000
Total Revenue from the Use of Money/Property	77,232	50,000	50,000	55,000	50,000
Revenue from State of California					
Allergan Payments - Abatement Fund	0	118,975	118,975	174,991	2,474
Allergan Payments - Subdivison Fund	0	0	0	0	48,309
CVS Payments - Abatement Fund	0	123,332	123,332	123,332	108,308
CVS Payments - Subdivision Fund	0	0	0	0	95,333
Distributor Payments - Abatement Fund	418,974	0	1,295	46,640	471,713
Distributor Payments - Subdivision Fund	0	5,861	5,861	5,862	192,749
Kroger Payments - Abatement Fund	0	0	0	0	44,610
Mallinckrodt Payments - Abatement Fund	0	0	0	31,218	0
NOAT II - Abatement Fund	0	0	0	0	26,535
Janssen Payments - Abatement Fund	44,161	0	6,101	6,101	545,216
Janssen Payments - Subdivision Fund	60,368	3,420	3,420	3,420	100,531
Teva Payments - Abatement Fund	0	108,208	108,208	108,208	53,266
Teva Payments - Subdivision Fund	0	29,456	29,456	29,456	14,500
Walgreens Payments - Abatement Fund	0	0	0	0	195,030
Walgreens Payments - Subdivision Fund	0	35,297	35,297	35,297	15,828
Walmart Payments - Abatement Fund	0	509,128	509,128	509,128	0
Walmart Payments - Subdivision Fund	0	0	0	0	133,462
Total Revenue from State of California	523,503	933,677	941,073	1,073,653	2,047,864
TOTAL SOURCE OF FUNDS	**816,587**	**1,622,729**	**1,284,157**	**1,421,737**	**2,137,750**
USE OF FUNDS					
Expenditures					
Community Education - Fire	30,531	0	0	0	0
Community Education - Library	1,280	0	0	0	0
Community Education - Police	1,764	49,000	49,000	49,000	0
Community Education - PRNS	10,585	0	6,101	6,101	0
Community Education – PRNS BSJ	0	0	0	0	68,543
Community Paramedicine - Fire	0	0	0	145,000	880,000
Opioid Prevention Grant Program	418,974	987,702	1,034,342	1,034,342	1,024,000
Opioid Settlement Program Oversight - PRNS	60,369	147,408	147,408	147,408	125,321
Total Expenditures	523,503	1,184,110	1,236,851	1,381,851	2,097,864

* Actuals may not subtotal due to rounding.

San José Opioid Response Fund (130)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Ending Fund Balance					
Reserve for Encumbrances (Use)	39,886	378,200	39,886	39,886	39,886
Unrestricted Ending Fund Balance (Use)	253,198	60,419	7,420	0	0
Total Ending Fund Balance	293,084	438,619	47,306	39,886	39,886
TOTAL USE OF FUNDS	**816,587**	**1,622,729**	**1,284,157**	**1,421,737**	**2,137,750**

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Income Fund (514)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	1,518,312	1,663,312	1,806,501	1,806,501	1,966,501
Total Beginning Fund Balance	1,518,312	1,663,312	1,806,501	1,806,501	1,966,501
Revenue from the Use of Money/Property					
Interest	48,405	45,000	45,000	60,000	45,000
Rental	239,784	100,000	100,000	100,000	100,000
Total Revenue from the Use of Money/Property	288,189	145,000	145,000	160,000	145,000
TOTAL SOURCE OF FUNDS	**1,806,501**	**1,808,312**	**1,951,501**	**1,966,501**	**2,111,501**
USE OF FUNDS					
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	1,806,501	1,808,312	1,951,501	1,966,501	2,111,501
Total Ending Fund Balance	1,806,501	1,808,312	1,951,501	1,966,501	2,111,501
TOTAL USE OF FUNDS	**1,806,501**	**1,808,312**	**1,951,501**	**1,966,501**	**2,111,501**

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
City of San Jose Legacy Lagoons Remediation Project II Reserve (Source)	25,236,040	25,236,040	25,236,040	25,236,040	25,236,040
Operations and Maintenance Reserve (Source)	17,090,521	22,715,000	22,715,000	22,715,000	30,160,000
Reserve for Encumbrances (Source)	7,460,169	7,460,169	14,097,661	14,097,661	14,097,661
Unrestricted Beginning Fund Balance (Source)	26,869,237	16,036,887	22,574,131	22,574,131	23,836,523
Workers' Compensation Claims Reserve (Source)	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Beginning Fund Balance	79,007,967	73,800,096	86,974,832	86,974,832	95,682,224
Revenue from the Use of Money/Property					
Interest	4,332,502	4,000,000	4,000,000	4,500,000	4,000,000
Total Revenue from the Use of Money/Property	4,332,502	4,000,000	4,000,000	4,500,000	4,000,000
Revenue from Local Agencies					
Contributions - Other Agencies	27,218,767	33,984,906	33,984,906	34,226,222	36,730,582
Contributions - Santa Clara	19,886,323	25,247,360	25,247,360	25,006,044	27,298,198
Total Revenue from Local Agencies	47,105,090	59,232,266	59,232,266	59,232,266	64,028,780
Other Revenue					
Miscellaneous	129,363	200,000	200,000	200,000	200,000
South Bay Dischargers Authority	57,549	0	0	0	0
Total Other Revenue	186,912	200,000	200,000	200,000	200,000
Transfers					
Sewer Service and Use Charge Fund	81,027,278	101,613,093	101,613,093	101,613,093	88,018,130
Total Transfers	81,027,278	101,613,093	101,613,093	101,613,093	88,018,130
TOTAL SOURCE OF FUNDS	**211,659,749**	**238,845,455**	**252,020,191**	**252,520,191**	**251,929,134**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	231,931	251,330	251,330	272,133	266,436
City Manager Non-Personal/Equipment	18,375	18,375	18,375	18,375	18,375
ESD Non-Personal/Equipment	38,562,477	66,273,357	66,573,357	66,573,357	64,332,557
ESD Personal Services	68,255,105	73,159,401	73,159,401	70,618,442	74,434,421
Finance Non-Personal/Equipment	11	2,958	2,958	2,958	2,958
Finance Personal Services	155,445	154,017	154,017	154,017	146,078
HR Non-Personal/Equipment	0	1,500	1,500	1,500	1,500
HR Personal Services	336,162	406,426	406,426	322,849	337,059
Inventory	595,632	600,000	600,000	870,000	600,000
ITD Non-Personal/Equipment	5,399	80,310	80,310	80,310	14,604
ITD Personal Services	112,512	120,271	120,271	100,067	129,971

* Actuals may not subtotal due to rounding.

San José-Santa Clara Treatment Plant Operating Fund (513)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Legacy Lagoons Remediation	166,167	2,500,000	2,500,000	2,500,000	2,500,000
Overhead	14,944,210	14,037,588	14,037,588	14,037,588	13,198,569
PBCE Personal Services	16,716	0	0	0	0
PW Non-Personal/Equipment	14,824	7,000	7,000	7,000	7,000
PW Personal Services	173,377	125,914	125,914	229,914	188,132
Workers' Compensation Claims	408,133	534,000	575,000	575,000	428,000
Total Expenditures	123,996,476	158,272,447	158,613,447	156,363,510	156,605,660
Transfers					
Transfer to the City Hall Debt Service Fund	688,441	474,457	474,457	474,457	738,039
Total Transfers	688,441	474,457	474,457	474,457	738,039
Ending Fund Balance					
City of San Jose Legacy Lagoons Remediation Project II Reserve (Use)	25,236,040	25,236,040	25,236,040	25,236,040	25,236,040
Operations and Maintenance Reserve (Use)	22,715,000	30,160,000	30,160,000	30,160,000	30,160,000
Reserve for Encumbrances (Use)	14,097,661	7,460,169	14,097,661	14,097,661	14,097,661
Unrestricted Ending Fund Balance (Use)	22,574,131	14,890,342	21,086,586	23,836,523	22,739,734
Workers' Compensation Claim Reserve (Use)	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Total Ending Fund Balance	86,974,832	80,098,551	92,932,287	95,682,224	94,585,435
TOTAL USE OF FUNDS	**211,659,749**	**238,845,455**	**252,020,191**	**252,520,191**	**251,929,134**

* Actuals may not subtotal due to rounding.

Sewage Treatment Plant Connection Fee Fund (539)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Treatment Plant Expansion Reserve (Source)	24,023,464	26,696,449	26,449,271	26,449,271	28,720,588
Total Beginning Fund Balance	24,023,464	26,696,449	26,449,271	26,449,271	28,720,588
Revenue from the Use of Money/Property					
Interest	921,315	880,000	880,000	1,000,000	880,000
Total Revenue from the Use of Money/Property	921,315	880,000	880,000	1,000,000	880,000
Fees, Rates, and Charges					
Connection Fees	1,992,266	2,000,000	2,000,000	2,000,000	2,513,000
Total Fees, Rates, and Charges	1,992,266	2,000,000	2,000,000	2,000,000	2,513,000
TOTAL SOURCE OF FUNDS	**26,937,045**	**29,576,449**	**29,329,271**	**29,449,271**	**32,113,588**
USE OF FUNDS					
Expenditures					
Collection Costs	480,759	676,185	676,185	676,185	709,994
Overhead	0	45,706	45,706	45,706	43,483
Total Expenditures	480,759	721,891	721,891	721,891	753,477
Transfers					
Transfer to the City Hall Debt Service Fund	7,015	6,792	6,792	6,792	8,160
Total Transfers	7,015	6,792	6,792	6,792	8,160
Ending Fund Balance					
Treatment Plant Expansion Reserve (Use)	26,449,271	28,847,766	28,600,588	28,720,588	31,351,951
Total Ending Fund Balance	26,449,271	28,847,766	28,600,588	28,720,588	31,351,951
TOTAL USE OF FUNDS	**26,937,045**	**29,576,449**	**29,329,271**	**29,449,271**	**32,113,588**

* Actuals may not subtotal due to rounding.

Sewer Service and Use Charge Fund (541)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Capital Program/Financing Reserve (Source)	20,000,000	6,000,000	6,000,000	6,000,000	17,000,000
Operations and Maintenance Reserve (Source)	7,290,000	7,290,000	7,290,000	7,290,000	7,343,000
Rate Stabilization Reserve (Source)	2,000,000	20,800,000	20,800,000	20,800,000	20,800,000
Reserve for Encumbrances (Source)	2,460,121	2,460,121	1,847,207	1,847,207	1,847,207
Unrestricted Beginning Fund Balance (Source)	34,594,121	24,385,128	26,374,630	26,374,630	6,706,653
Workers' Compensation Claims Reserve (Source)	760,000	760,000	760,000	760,000	760,000
Total Beginning Fund Balance	67,104,242	61,695,249	63,071,837	63,071,837	54,456,860
Revenue from the Use of Money/Property					
Interest	813,929	660,000	660,000	1,300,000	660,000
Total Revenue from the Use of Money/Property	813,929	660,000	660,000	1,300,000	660,000
Revenue from Local Agencies					
Miscellaneous	284,000	0	0	0	0
Total Revenue from Local Agencies	284,000	0	0	0	0
Fees, Rates, and Charges					
Commercial	29,020,089	26,754,927	26,754,927	26,754,927	27,022,476
Industrial	5,278,717	5,294,497	5,294,497	5,294,497	5,347,442
Residential	172,969,716	179,183,443	179,183,443	179,183,443	180,975,278
Sewer Installation	290,429	60,000	60,000	190,000	226,555
Total Fees, Rates, and Charges	207,558,951	211,292,867	211,292,867	211,422,867	213,571,751
Other Revenue					
Miscellaneous	79,631	0	0	0	0
Total Other Revenue	79,631	0	0	0	0
Transfers					
South Bay Water Recycling Operating Fund	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Transfers	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
TOTAL SOURCE OF FUNDS	**277,840,753**	**276,148,116**	**277,524,704**	**278,294,704**	**271,188,611**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	446,552	730,614	730,614	491,084	501,645
City Manager Non-Personal/Equipment	6,125	6,125	6,125	6,125	6,125
City Manager Personal Services	0	134,410	134,410	134,410	68,906
Clean Water Financing Authority Audit	0	32,272	32,272	32,272	32,272
Collection Costs	593,035	611,000	611,000	611,000	611,000
DOT Non-Personal/Equipment	9,378,130	16,389,725	16,535,782	16,535,782	10,188,432

* Actuals may not subtotal due to rounding.

Sewer Service and Use Charge Fund (541)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
DOT Personal Services	18,667,367	19,982,278	19,982,278	19,221,977	20,817,730
ESD Non-Personal/Equipment	671,252	617,062	617,062	617,062	1,082,062
ESD Personal Services	2,005,089	2,218,586	2,218,586	2,265,743	2,413,413
Facilities Capital Repairs and Maintenance	40,651	40,000	40,000	40,000	40,000
Finance Non-Personal/Equipment	0	16,750	16,750	16,750	16,750
Finance Personal Services	325,411	330,150	330,150	330,150	335,181
HR Personal Services	29,768	46,632	46,632	27,150	44,246
IDC Disposal Contract	122,149	150,000	150,000	150,000	150,000
ITD Non-Personal/Equipment	3,675	36,622	36,622	36,622	17,683
ITD Personal Services	148,446	148,275	148,275	125,833	145,299
Major Litigation Costs	516,350	500,000	500,000	500,000	500,000
Overhead	6,433,010	6,786,446	6,786,446	6,786,446	6,177,106
PBCE Personal Services	123,340	127,485	127,485	127,485	130,548
PW Non-Personal/Equipment	382,318	301,460	301,460	301,460	301,460
PW Personal Services	2,418,811	2,773,166	2,773,166	2,773,166	2,787,143
Sanitary Sewer Claims	100	175,000	175,000	175,000	175,000
Workers' Compensation Claims	191,643	239,000	239,000	239,000	197,000
Total Expenditures	42,503,222	52,393,058	52,539,115	51,544,517	46,739,001
Transfers					
Transfer to the City Hall Debt Service Fund	359,416	302,234	302,234	302,234	345,197
Transfer to the San Jose-Santa Clara Treatment Plant Capital Fund	55,879,000	55,378,000	55,378,000	55,378,000	62,529,000
Transfer to the San Jose-Santa Clara Treatment Plant Operating Fund	81,027,278	101,613,093	101,613,093	101,613,093	88,018,130
Transfer to the Sewer Service and Use Charge Capital Improvement Fund	35,000,000	15,000,000	15,000,000	15,000,000	45,000,000
Total Transfers	172,265,694	172,293,327	172,293,327	172,293,327	195,892,327
Ending Fund Balance					
Capital Program/Financing Reserve (Use)	6,000,000	17,000,000	17,000,000	17,000,000	0
Operations and Maintenance Reserve (Use)	7,290,000	7,343,000	7,343,000	7,343,000	10,785,923
Rate Stabilization Reserve (Use)	20,800,000	20,800,000	20,800,000	20,800,000	0
Reserve for Encumbrances (Use)	1,847,207	2,460,121	1,847,207	1,847,207	1,847,207
Unrestricted Ending Fund Balance (Use)	26,374,630	3,098,610	4,942,055	6,706,653	15,164,153
Workers' Compensation Claim Reserve (Use)	760,000	760,000	760,000	760,000	760,000
Total Ending Fund Balance	63,071,837	51,461,731	52,692,262	54,456,860	28,557,283
TOTAL USE OF FUNDS	**277,840,753**	**276,148,116**	**277,524,704**	**278,294,704**	**271,188,611**

* Actuals may not subtotal due to rounding.

South Bay Water Recycling Operating Fund (570)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	1,824,958	3,029,239	3,029,239	3,029,239	3,715,316
Reserve for Encumbrances (Source)	2,014,658	2,014,658	1,676,773	1,676,773	1,676,773
Unrestricted Beginning Fund Balance (Source)	5,441,749	5,130,886	8,137,100	8,137,100	5,785,242
Total Beginning Fund Balance	9,281,365	10,174,783	12,843,112	12,843,112	11,177,331
Revenue from the Use of Money/Property					
Interest	495,927	410,000	410,000	675,000	410,000
Total Revenue from the Use of Money/Property	495,927	410,000	410,000	675,000	410,000
Fees, Rates, and Charges					
Recycled Water Sales - Santa Clara	8,475,881	8,161,025	8,161,025	8,161,025	10,181,527
Recycled Water Sales - San Jose Water Company	5,757,861	5,195,476	5,195,476	5,195,476	5,797,451
Recycled Water Sales - Milpitas	1,830,971	2,066,199	2,066,199	2,066,199	2,305,894
Recycled Water Sales - San Jose Municipal Water System	8,571,461	9,028,061	9,028,061	9,028,061	10,081,524
Total Fees, Rates, and Charges	24,636,174	24,450,761	24,450,761	24,450,761	28,366,396
TOTAL SOURCE OF FUNDS	**34,413,466**	**35,035,544**	**37,703,873**	**37,968,873**	**39,953,727**
USE OF FUNDS					
Expenditures					
City Manager Personal Services	0	12,801	12,801	12,590	12,531
ESD Non-Personal/Equipment	4,795,487	8,918,090	10,118,090	7,706,053	6,580,090
ESD Personal Services	5,440,115	7,296,920	7,296,920	6,650,808	7,409,192
ITD Non-Personal/Equipment	522	521	521	521	521
Overhead	805,488	885,975	885,975	885,975	833,849
SCVWD - Advanced Water Treatment	8,490,677	5,500,000	9,000,000	9,000,000	9,000,000
Total Expenditures	19,532,289	22,614,307	27,314,307	24,255,947	23,836,183
Transfers					
Transfer to the City Hall Debt Service Fund	38,065	35,595	35,595	35,595	39,910
Transfer to the Sewer Service and Use Charge Fund	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Transfer to the Water Utility Capital Fund	0	0	0	0	286,000
Total Transfers	2,038,065	2,535,595	2,535,595	2,535,595	2,825,910
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	3,029,239	3,715,316	3,715,316	3,715,316	3,715,316
Reserve for Encumbrances (Use)	1,676,773	2,014,658	1,676,773	1,676,773	1,676,773
Unrestricted Ending Fund Balance (Use)	8,137,100	4,155,668	2,461,882	5,785,242	7,899,545
Total Ending Fund Balance	12,843,112	9,885,642	7,853,971	11,177,331	13,291,634
TOTAL USE OF FUNDS	**34,413,466**	**35,035,544**	**37,703,873**	**37,968,873**	**39,953,727**

* Actuals may not subtotal due to rounding.

St. James Park Management District Fund (345)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	55,514	55,514	18,987	18,987	18,987
Unrestricted Beginning Fund Balance (Source)	4,200,858	3,713,621	3,811,106	3,811,106	3,351,715
Total Beginning Fund Balance	4,256,372	3,769,135	3,830,093	3,830,093	3,370,702
Revenue from the Use of Money/Property					
Interest	137,142	100,000	100,000	125,000	100,000
Total Revenue from the Use of Money/Property	137,142	100,000	100,000	125,000	100,000
TOTAL SOURCE OF FUNDS	**4,393,514**	**3,869,135**	**3,930,093**	**3,955,093**	**3,470,702**
USE OF FUNDS					
Expenditures					
Overhead	122,610	128,613	128,613	128,613	123,674
PRNS Non-Personal/Equipment	138,117	241,000	241,000	150,000	239,000
PRNS Personal Services	297,067	441,679	441,679	300,000	440,989
Total Expenditures	557,794	811,292	811,292	578,613	803,663
Transfers					
Transfer to the City Hall Debt Service Fund	5,627	5,778	5,778	5,778	6,755
Total Transfers	5,627	5,778	5,778	5,778	6,755
Ending Fund Balance					
Reserve for Encumbrances (Use)	18,987	55,514	18,987	18,987	18,987
Unrestricted Ending Fund Balance (Use)	3,811,106	2,996,551	3,094,036	3,351,715	2,641,297
Total Ending Fund Balance	3,830,093	3,052,065	3,113,023	3,370,702	2,660,284
TOTAL USE OF FUNDS	**4,393,514**	**3,869,135**	**3,930,093**	**3,955,093**	**3,470,702**

* Actuals may not subtotal due to rounding.

State Drug Forfeiture Fund (417)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	1,661,803	1,661,803	2,266,414	2,266,414	0
Total Beginning Fund Balance	1,661,803	1,661,803	2,266,414	2,266,414	0
Revenue from the Use of Money/Property					
Interest	15,137	0	0	0	0
Total Revenue from the Use of Money/Property	15,137	0	0	0	0
Revenue from State of California					
State Revenue	589,474	0	0	0	0
Total Revenue from State of California	589,474	0	0	0	0
TOTAL SOURCE OF FUNDS	**2,266,414**	**1,661,803**	**2,266,414**	**2,266,414**	**0**
USE OF FUNDS					
Expenditures					
Police Fixed Wing Aircraft Replacement	0	0	2,266,414	2,266,414	0
Total Expenditures	0	0	2,266,414	2,266,414	0
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	2,266,414	1,661,803	0	0	0
Total Ending Fund Balance	2,266,414	1,661,803	0	0	0
TOTAL USE OF FUNDS	**2,266,414**	**1,661,803**	**2,266,414**	**2,266,414**	**0**

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Operations and Maintenance Reserve (Source)	5,108,751	5,425,781	5,425,781	5,425,781	5,498,990
Polychlorinated Biphenyls Settlement Reserve (Source)	4,516,761	4,516,761	4,516,761	4,516,761	3,516,761
Reserve for Encumbrances (Source)	894,641	894,641	(89,629)	(89,629)	(89,629)
Unrestricted Beginning Fund Balance (Source)	16,313,952	12,525,900	12,294,925	12,294,925	8,405,142
Total Beginning Fund Balance	26,834,105	23,363,083	22,147,838	22,147,838	17,331,264
Revenue from the Use of Money/Property					
Interest	492,721	320,000	320,000	425,000	320,000
Total Revenue from the Use of Money/Property	492,721	320,000	320,000	425,000	320,000
Other Revenue					
Caltrans LTC Reimbursement	59,207	0	0	0	0
Total Other Revenue	59,207	0	0	0	0
Special Assessments					
Assessments	34,112,599	34,248,695	34,248,695	34,248,695	34,248,695
Total Special Assessments	34,112,599	34,248,695	34,248,695	34,248,695	34,248,695
TOTAL SOURCE OF FUNDS	**61,498,632**	**57,931,778**	**56,716,533**	**56,821,533**	**51,899,959**
USE OF FUNDS					
Expenditures					
City Attorney Personal Services	191,619	147,919	147,919	147,919	219,614
City Manager Personal Services	0	12,801	12,801	12,801	12,531
Collection Fees	98,624	100,000	100,000	100,000	100,000
DOT Non-Personal/Equipment	4,194,020	4,919,853	4,395,953	4,395,953	2,929,953
DOT Personal Services	7,428,916	8,707,687	8,707,687	8,481,767	9,165,325
ESD Non-Personal/Equipment	2,536,761	3,457,527	4,457,527	4,457,527	3,227,727
ESD Personal Services	8,806,052	9,407,661	9,407,661	9,351,523	9,731,583
Finance Personal Services	104,649	106,088	106,088	103,624	106,382
Fire Non-Personal/Equipment	120,935	175,000	175,000	175,000	175,000
HR Personal Services	57,377	70,736	70,736	52,137	59,725
IDC Contract	85,676	153,979	153,979	153,979	153,979
ITD Non-Personal/Equipment	3,000	66,973	66,973	57,000	17,113
ITD Personal Services	140,602	142,073	142,073	124,627	141,434
Overhead	4,834,029	5,085,977	5,085,977	5,085,977	4,679,040
PBCE Personal Services	102,799	112,626	112,626	115,026	115,797
PW Non-Personal/Equipment	70,999	48,000	48,000	48,000	48,000
PW Personal Services	705,705	761,695	761,695	745,968	767,707
Workers' Compensation Claims	26,765	117,000	117,000	117,000	76,000

* Actuals may not subtotal due to rounding.

Storm Sewer Operating Fund (446)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Yard Trimming Collection/Processing	3,314,021	3,310,201	3,710,201	3,710,201	3,310,201
Total Expenditures	32,822,549	36,903,796	37,779,896	37,436,029	35,037,111
Transfers					
Transfer to the City Hall Debt Service Fund	441,086	467,081	467,081	467,081	523,634
Transfer to the Community Facilities District No. 13 (Guadalupe Mines) Fund	10,121	10,121	10,121	10,121	10,121
Transfer to the Community Facilities District No. 15 (Berryessa - Sierra) Fund	26,920	26,920	26,920	26,920	26,920
Transfer to the Community Facilities District No. 16 (Raleigh - Coronado) Fund	28,000	28,000	28,000	28,000	28,000
Transfer to the Maintenance District No. 15 (Silver Creek Valley) Fund	22,118	22,118	22,118	22,118	22,118
Transfer to the Storm Sewer Capital Fund	6,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Transfers	6,528,245	2,054,240	2,054,240	2,054,240	2,110,793
Ending Fund Balance					
Operations and Maintenance Reserve (Use)	5,425,781	5,498,990	5,498,990	5,498,990	4,319,644
Polychlorinated Biphenyls Settlement Reserve (Use)	4,516,761	4,516,761	3,516,761	3,516,761	3,018,361
Reserve for Encumbrances (Use)	(89,629)	894,641	(89,629)	(89,629)	(89,629)
Unrestricted Ending Fund Balance (Use)	12,294,925	8,063,350	7,956,275	8,405,142	7,503,679
Total Ending Fund Balance	22,147,838	18,973,742	16,882,397	17,331,264	14,752,055
TOTAL USE OF FUNDS	**61,498,632**	**57,931,778**	**56,716,533**	**56,821,533**	**51,899,959**

* Actuals may not subtotal due to rounding.

Supplemental Law Enforcement Services Fund (414)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	481,032	481,032	297,472	297,472	297,472
Unrestricted Beginning Fund Balance (Source)	2,653,626	2,884,925	2,826,742	2,826,742	2,801,181
Total Beginning Fund Balance	3,134,658	3,365,957	3,124,214	3,124,214	3,098,653
Revenue from the Use of Money/Property					
Interest	122,608	0	0	0	0
Total Revenue from the Use of Money/Property	122,608	0	0	0	0
Revenue from State of California					
State Revenue	1,963,290	850,786	6,913,758	6,913,758	0
Total Revenue from State of California	1,963,290	850,786	6,913,758	6,913,758	0
TOTAL SOURCE OF FUNDS	**5,220,556**	**4,216,743**	**10,037,972**	**10,037,972**	**3,098,653**
USE OF FUNDS					
Expenditures					
SLES Grant 2018-2020	101,179	0	0	0	0
SLES Grant 2019-2021	170,069	0	0	0	0
SLES Grant 2020-2022	431,356	0	0	0	0
SLES Grant 2021-2023	683,187	93,335	85,148	85,148	0
SLES Grant 2022-2024	501,627	493,651	500,731	500,731	0
SLES Grant 2023-2025	208,924	263,800	1,839,351	1,839,351	0
SLES Grant 2024-2026	0	0	3,017,317	3,017,317	0
SLES Grant 2025-2027	0	0	1,496,772	1,496,772	0
Total Expenditures	2,096,342	850,786	6,939,319	6,939,319	0
Ending Fund Balance					
Reserve for Encumbrances (Use)	297,472	481,032	297,472	297,472	297,472
Unrestricted Ending Fund Balance (Use)	2,826,742	2,884,925	2,801,181	2,801,181	2,801,181
Total Ending Fund Balance	3,124,214	3,365,957	3,098,653	3,098,653	3,098,653
TOTAL USE OF FUNDS	**5,220,556**	**4,216,743**	**10,037,972**	**10,037,972**	**3,098,653**

* Actuals may not subtotal due to rounding.

Transient Occupancy Tax Fund (461)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Cultural Grants and Programs Reserve (Source)	3,025,986	2,686,625	2,874,125	2,874,125	3,670,896
Reserve for Encumbrances (Source)	720,626	720,626	355,585	355,585	355,585
Unrestricted Beginning Fund Balance (Source)	2,108,505	1,793,026	3,539,715	3,539,715	1,505,117
Total Beginning Fund Balance	5,855,117	5,200,277	6,769,425	6,769,425	5,531,598
Transient Occupancy Tax					
Transient Occupancy Tax Revenue	25,836,010	27,000,000	27,000,000	27,000,000	27,000,000
Total Transient Occupancy Tax	25,836,010	27,000,000	27,000,000	27,000,000	27,000,000
Licenses and Permits					
OCA Special Event Permits	19,875	19,647	19,647	19,647	24,790
Total Licenses and Permits	19,875	19,647	19,647	19,647	24,790
Revenue from the Use of Money/Property					
Interest	40,622	25,000	25,000	25,000	25,000
Total Revenue from the Use of Money/Property	40,622	25,000	25,000	25,000	25,000
TOTAL SOURCE OF FUNDS	**31,751,624**	**32,244,924**	**33,814,072**	**33,814,072**	**32,581,388**
USE OF FUNDS					
Expenditures					
Cultural Grants and Programs	4,258,692	6,409,348	6,409,348	5,209,348	6,527,447
Cultural Grants and Programs Administration	2,470,487	2,730,037	2,730,037	2,730,037	2,811,938
San José Convention and Visitors Bureau	5,817,429	6,822,000	6,909,908	6,909,908	6,822,000
Total Expenditures	12,546,608	15,961,385	16,049,293	14,849,293	16,161,385
Transfers					
Transfer to the Convention and Cultural Affairs Fund	12,435,591	13,257,365	13,433,181	13,433,181	13,257,365
Total Transfers	12,435,591	13,257,365	13,433,181	13,433,181	13,257,365
Ending Fund Balance					
Cultural Grants and Programs Reserve (Use)	2,874,125	1,912,522	3,670,896	3,670,896	2,501,936
Reserve for Encumbrances (Use)	355,585	720,626	355,585	355,585	355,585
Unrestricted Ending Fund Balance (Use)	3,539,715	393,026	305,117	1,505,117	305,117
Total Ending Fund Balance	6,769,425	3,026,174	4,331,598	5,531,598	3,162,638
TOTAL USE OF FUNDS	**31,751,624**	**32,244,924**	**33,814,072**	**33,814,072**	**32,581,388**

* Actuals may not subtotal due to rounding.

Vehicle Maintenance and Operations Fund (552)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Fuel Usage Reserve (Source)	500,000	500,000	500,000	0	0
Reserve for Encumbrances (Source)	243,629	243,629	1,155,010	1,155,010	1,155,010
Unrestricted Beginning Fund Balance (Source)	5,797,128	5,727,263	3,868,436	3,867,808	532,828
Total Beginning Fund Balance	6,540,757	6,470,892	5,523,446	5,022,818	1,687,838
Revenue from the Use of Money/Property					
Interest	185,279	215,000	215,000	140,000	145,000
Total Revenue from the Use of Money/Property	185,279	215,000	215,000	140,000	145,000
Other Revenue					
Miscellaneous	54,593	40,000	40,000	90,000	40,000
Total Other Revenue	54,593	40,000	40,000	90,000	40,000
Transfers					
Departmental Charges (M&O)	26,007,236	28,048,210	28,048,210	28,017,000	29,121,000
Replacement Charges	7,897,886	14,364,000	14,764,000	14,764,000	8,750,000
Total Transfers	33,905,122	42,412,210	42,812,210	42,781,000	37,871,000
TOTAL SOURCE OF FUNDS	**40,685,751**	**49,138,102**	**48,590,656**	**48,033,818**	**39,743,838**
USE OF FUNDS					
Expenditures					
HR Personal Services (Vehicle M&O)	105,018	105,647	105,647	109,000	107,344
Inventory Purchases	9,416,860	10,503,500	10,503,500	10,503,500	9,768,500
ITD Non-Personal/Equipment	53,779	6,683	6,683	1,000	630
Overhead	1,197,645	1,155,173	1,155,173	1,155,173	1,049,638
Police Vehicle Replacements	6,712,431	12,864,000	11,866,000	11,866,000	7,000,000
PW Non-Personal/Equipment	4,219,280	3,430,271	3,430,271	3,430,271	4,484,666
PW Personal Services	11,542,832	12,028,308	12,028,308	12,028,308	12,872,200
Unanticipated/Emergency Vehicle Repairs	0	200,000	600,000	600,000	200,000
Vehicle Replacement & Improvement	2,136,473	6,520,000	6,323,000	6,323,000	1,750,000
Workers' Compensation Claims	34,565	128,000	128,000	128,000	128,000
Total Expenditures	35,418,883	46,941,582	46,146,582	46,144,252	37,360,978
Transfers					
Transfer to the City Hall Debt Service Fund	81,220	61,728	61,728	61,728	66,845
Transfer to the General Fund - Interest Income	162,830	215,000	215,000	140,000	145,000
Total Transfers	244,050	276,728	276,728	201,728	211,845
Ending Fund Balance					
Fuel Usage Reserve (Use)	0	500,000	500,000	0	500,000

* Actuals may not subtotal due to rounding.

Vehicle Maintenance and Operations Fund (552)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Reserve for Encumbrances (Use)	1,155,010	243,629	1,155,010	1,155,010	1,155,010
Unrestricted Ending Fund Balance (Use)	3,867,808	1,176,163	512,336	532,828	516,005
Total Ending Fund Balance	5,022,818	1,919,792	2,167,346	1,687,838	2,171,015
TOTAL USE OF FUNDS	**40,685,751**	**49,138,102**	**48,590,656**	**48,033,818**	**39,743,838**

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Rate Stabilization Reserve (Source)	1,400,000	2,200,000	2,200,000	2,200,000	2,200,000
Muni Water Recycled Water Expansion Reserve (Source)	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Operations and Maintenance Reserve (Source)	9,304,731	11,584,592	11,584,592	11,584,592	13,472,579
Reserve for Encumbrances (Source)	2,094,229	2,094,229	3,382,744	3,382,744	3,382,744
Unrestricted Beginning Fund Balance (Source)	7,738,268	6,453,619	3,253,562	3,253,562	1,022,715
Water Quality Testing Reserve (Source)	0	0	0	0	359,318
Workers' Compensation Claims Reserve (Source)	50,000	50,000	50,000	50,000	50,000
Total Beginning Fund Balance	22,187,228	23,982,440	22,070,898	22,070,898	22,087,356
Revenue from the Use of Money/Property					
Interest	324,982	290,000	290,000	350,000	290,000
Total Revenue from the Use of Money/Property	324,982	290,000	290,000	350,000	290,000
Revenue from State of California					
California Water Arrearage Payment Program	(295,337)	0	0	0	0
Total Revenue from State of California	(295,337)	0	0	0	0
Fees, Rates, and Charges					
Operating - Water Sales	76,935,145	79,358,431	79,358,431	75,725,955	84,820,310
Total Fees, Rates, and Charges	76,935,145	79,358,431	79,358,431	75,725,955	84,820,310
Other Revenue					
Late Fees	(61,108)	300,000	300,000	300,000	300,000
Litigation Settlement Revenue	105,466	0	253,852	317,794	0
Operating - Miscellaneous	230,294	100,000	100,000	180,000	100,000
Total Other Revenue	274,652	400,000	653,852	797,794	400,000
Transfers					
Emergency Reserve Fund	38,152	0	0	0	0
Total Transfers	38,152	0	0	0	0
TOTAL SOURCE OF FUNDS	**99,464,822**	**104,030,871**	**102,373,181**	**98,944,647**	**107,597,666**
USE OF FUNDS					
Expenditures					
Banking Services	295,897	247,688	322,688	204,375	322,688
City Attorney Personal Services	140,704	147,985	147,985	184,962	192,293
City Manager Personal Services	0	12,801	12,801	12,801	12,531
Customer Information System Transition	0	150,000	150,000	150,000	150,000
ESD Non-Personal/Equipment	51,927,588	55,913,308	56,053,308	52,492,243	61,752,910

* Actuals may not subtotal due to rounding.

Water Utility Fund (515)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
ESD Personal Services	9,845,957	10,553,501	10,553,501	10,261,395	11,070,154
Finance Personal Services	540,072	568,976	568,976	532,088	510,169
HR Personal Services	16,879	19,484	19,484	16,335	16,903
ITD Non-Personal/Equipment	25,446	141,051	141,051	11,086	141,051
ITD Personal Services	694,524	668,152	668,152	625,144	676,848
Overhead	3,404,985	3,033,389	3,033,389	3,033,389	2,627,431
PW Non-Personal/Equipment	35,476	39,547	39,547	55,168	39,547
Workers' Compensation Claims	16,618	15,000	31,000	31,000	14,000
Total Expenditures	66,944,146	71,510,882	71,741,882	67,609,986	77,526,525
Transfers					
Transfer to the City Hall Debt Service Fund	149,778	147,305	147,305	147,305	161,625
Transfer to the General Fund - Late Fees	1,500,000	300,000	300,000	300,000	300,000
Transfer to the Water Utility Capital Fund	8,800,000	8,800,000	8,800,000	8,800,000	8,800,000
Total Transfers	10,449,778	9,247,305	9,247,305	9,247,305	9,261,625
Ending Fund Balance					
Muni Water Recycled Water Expansion Reserve (Use)	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Operations and Maintenance Reserve (Use)	11,584,592	13,472,579	13,472,579	13,472,579	11,927,158
Rate Stabilization Reserve (Use)	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Reserve for Encumbrances (Use)	3,382,744	2,094,229	3,382,744	3,382,744	3,382,744
Unrestricted Ending Fund Balance (Use)	3,253,562	3,750,410	319,353	1,022,715	1,290,296
Water Quality Testing Reserve (Use)	0	105,466	359,318	359,318	359,318
Workers' Compensation Claim Reserve (Use)	50,000	50,000	50,000	50,000	50,000
Total Ending Fund Balance	22,070,898	23,272,684	21,383,994	22,087,356	20,809,516
TOTAL USE OF FUNDS	**99,464,822**	**104,030,871**	**102,373,181**	**98,944,647**	**107,597,666**

* Actuals may not subtotal due to rounding.

Willow Glen Community Benefit Improvement District Fund (343)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Unrestricted Beginning Fund Balance (Source)	0	0	0	0	17,642
Total Beginning Fund Balance	0	0	0	0	17,642
Special Assessments					
Willow Glen CBID Assessment	0	469,514	469,514	466,476	482,485
Total Special Assessments	0	469,514	469,514	466,476	482,485
Transfers					
Business Improvement District Fund	0	0	17,642	17,642	0
General Fund	0	16,198	16,198	15,556	15,913
Total Transfers	0	16,198	33,840	33,198	15,913
TOTAL SOURCE OF FUNDS	**0**	**485,712**	**503,354**	**499,674**	**516,040**
USE OF FUNDS					
Expenditures					
Administration Services	0	15,000	15,000	15,000	15,000
Willow Glen Community Benefit Improvement District	0	470,712	470,712	467,032	501,040
Total Expenditures	0	485,712	485,712	482,032	516,040
Ending Fund Balance					
Unrestricted Ending Fund Balance (Use)	0	0	17,642	17,642	0
Total Ending Fund Balance	0	0	17,642	17,642	0
TOTAL USE OF FUNDS	**0**	**485,712**	**503,354**	**499,674**	**516,040**

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances (Source)	801,046	302,181	1,631,671	1,631,671	1,631,671
Unrestricted Beginning Fund Balance (Source)	(30,532)	579,627	(918,506)	(918,506)	177,306
work2future Board Mandated Reserve (Source)	853,521	925,887	925,887	925,887	1,024,065
Total Beginning Fund Balance	1,624,035	1,807,695	1,639,052	1,639,052	2,833,042
Revenue from Federal Government					
Grants	8,241,260	7,501,055	12,873,513	12,737,542	7,381,570
Total Revenue from Federal Government	8,241,260	7,501,055	12,873,513	12,737,542	7,381,570
Other Revenue					
Grants	123,500	0	0	34,000	0
Total Other Revenue	123,500	0	0	34,000	0
TOTAL SOURCE OF FUNDS	**9,988,795**	**9,308,750**	**14,512,565**	**14,410,594**	**10,214,612**
USE OF FUNDS					
Expenditures					
Administration	450,029	450,736	976,859	976,859	658,780
Adult Workers	2,455,444	1,371,773	3,363,412	3,363,412	1,769,238
BusinessOwnerSpace.com Network	999	1,692	1,335	800	535
CA Workforce Association	0	4,042	4,042	4,042	4,042
Cities for Financial Empowerment	7,500	35,936	40,000	40,000	0
City Attorney Administrative Costs	114,511	135,659	135,659	135,659	135,659
Dislocated Workers	1,596,548	1,627,998	2,265,929	2,265,929	2,241,457
Emerging Needs - Local Assistance Funds to work2future	0	5,000	5,000	5,000	0
HVAC Technician & Green Technology Program	100,000	0	0	0	0
Pathways to Self-Sufficiency	976,563	1,450,678	807,082	807,082	0
Rapid Response Grant	593,226	716,018	762,405	762,405	541,735
Regional Equity Recovery and Partnerships Grant (RERP)	0	350,000	350,000	174,207	87,104
SJ Works (Amazon)	0	100,000	100,000	100,000	0
SJ Works (Bank of America)	0	153,000	153,000	153,000	0
SJ Works (Flagship)	0	5,000	5,000	5,000	0
SJ Works (Shipt)	0	21,250	21,250	21,250	0
SJ Works (Wells Fargo)	0	113,750	113,750	113,750	0
South County Services	0	1,000	1,000	680	320
Youth Workers	2,054,923	1,398,193	2,648,477	2,648,477	1,947,597
Total Expenditures	8,349,743	7,941,725	11,754,200	11,577,552	7,386,467
Ending Fund Balance					

* Actuals may not subtotal due to rounding.

Workforce Development Fund (290)
STATEMENT OF SOURCE AND USE OF FUNDS

	2024-2025 Actuals*	2025-2026 Adopted	2025-2026 Modified	2025-2026 Estimate	2026-2027 Proposed
Reserve for Encumbrances (Use)	1,631,671	302,181	1,631,671	1,631,671	1,631,671
Unrestricted Ending Fund Balance (Use)	(918,506)	185,251	102,629	177,306	4,815
work2future Board Mandated Reserve (Use)	925,887	879,593	1,024,065	1,024,065	1,191,659
Total Ending Fund Balance	1,639,052	1,367,025	2,758,365	2,833,042	2,828,145
TOTAL USE OF FUNDS	**9,988,795**	**9,308,750**	**14,512,565**	**14,410,594**	**10,214,612**

* Actuals may not subtotal due to rounding.

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COUNCIL AGENDA: 3/17/2026
FILE: 26-251
ITEM: 3.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO:	CITY COUNCIL	**FROM:**	Mayor Matt Mahan
SUBJECT:	**MARCH BUDGET MESSAGE FOR FISCAL YEAR 2026-2027**	**DATE:**	March 9, 2026

APPROVED: Matt Mahan

RECOMMENDATION

Direct the City Manager to submit a balanced budget for Fiscal Year 2026-2027, guided by the policy direction and framework of priorities outlined in this March Budget Message.

***

In accordance with Section 1204 of the San José City Charter, I present my Fiscal Year 2026-2027 March Budget Message for consideration by the City Council and the residents of San José. With City Council approval, this initial framework provides the City Manager with direction to prepare proposals for the City Council's budget deliberations in May and to formulate the Fiscal Year 2026-2027 Proposed Budget.

OVERVIEW

I. Continuing Our Commitment to Focus

The City Council Focus Areas directly reflect the sentiment of our residents, who have clearly and consistently expressed their priorities over the last few years. The 2024-2025 Annual Report on City Services made clear that residents continue to demand progress on reducing homelessness, making housing more affordable, beautifying our community, improving public safety and general affordability. The residents spoke and we listened.

On public safety, we are the only major U.S city to have a 100% solve rate for homicides nearly four years running and crime rates have dropped 15% over the last year. At our next

homelessness count, we will likely have reached a point where more of our homeless neighbors live indoors than outdoors – a direct outcome of expanding safe, dignified interim housing and shelter. On housing, our fee reforms led to thousands of new homes breaking ground last year. On beautification, last year graffiti on public lands dropped nearly 18% and we removed 5,290 tons of illegal dumping from our neighborhoods. On economic growth, our City issued 6,800 new business certificates, which marks a decade of consecutive net new business growth.

We should be proud that our focused work is making a difference – and San Joséans are seeing results. Since August of 2022, trust in City Hall has increased by nearly 40%. To keep delivering for our residents and rebuilding trust in government, we must double down on the strategies that work. Consistent with the Focus Area and FY 2026-2027 Budget Process timeline presented to City Council Committees in December, I direct the City Manager to return with a Manager's Budget Addenda (MBA) that provides a recommended framework for the next phase of the City Council Focus Areas. The MBA should incorporate the direction contained in this March Budget Message and the lessons learned from this fiscal year's execution of previously directed work. The recommended framework should refine performance measures for the dashboards where appropriate; ensure alignment with budgetary investments and organizational capacity; and provide the Mayor and City Council with a clear, focused, and actionable approach to sustain measurable progress across the Focus Areas in the coming fiscal year.

II. Current Budget Outlook

San José is not immune to the economic headwinds faced by our state. Our current fiscal outlook demands that we make difficult trade-offs to maintain critical core services for our residents. Recommitting to focus reinforces our commitment to fiscal sustainability and cost-effective service delivery.

Job growth remains stagnant with specific sectors like professional/business services and manufacturing losing 8,600 jobs and 3,500 jobs, respectively, in 2025. Our commercial construction sector also faces additional challenges, such as high commercial vacancies – 18.1% in the fourth quarter of 2025 – that are having downstream impacts, reducing development and our overall property valuations. The residential property market has also slowed and homes are staying on the market longer. This trend is contributing to a slower rate of property tax growth – estimated to be 4.0% in 2026-2027 compared to 5.0% just one year prior. Sales tax is growing in 2025-2026, but this level is only 1.2% higher than revenues received in 2022-2023, and the growth anticipated in 2026-2027 is 1.5%. While utility tax revenue is expected to grow by 3.5% in 2026-2027, this growth is not expected to be sustained in future years.

Due to this decelerating revenue growth while our costs continue to climb, the City Manager forecasts an ongoing General Fund shortfall of $56 million in 2026-2027, with an additional $27 million anticipated in 2027-2028.

2027-2031 General Fund Forecast Incremental Surplus/(Shortfall)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Five-Year (Shortfall)
Incremental Surplus/(Shortfall)[1]	($56.0 M)	($26.8 M)	($11.8 M)	$13.8 M	$11.6 M	**($69.2 M)**
% of Budget (Based on Expenditures)	3.5%	1.6%	0.7%	0.8%	0.6%	

Note: Does not include 1) costs associated with services that were funded on a one-time basis in 2025-2026; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

Source: 2026-2027 City Manager's Budget Request and 2027-3031 Five-Year Forecast

While these shortfalls look small as a percentage of the total General Fund budget, we know from the February 5th City Council Study Session that only about two-thirds of spending is truly available for reduction in the following fiscal year, as much of our spending is non-discretionary, such as payments for the retirement's system unfunded actuarial liability and State-mandated spending, or are reimbursed by various fees and charges. Moreover, San José is already one of the most thinly staffed big cities in the country; the number of spending reductions we can make without service level impacts are few.

This means that we need to be clear-eyed about the trade-offs before us. The City Manager will likely need to bring forward reduction proposals that touch a range of City services, including services within the Focus Areas or other important community services. However, this does not mean we should cut indiscriminately – we have the opportunity with this message to focus on the City's most important priorities and give direction to preserve the City's core services to the maximum extent possible. In alignment with her 2026-2027 Budget Request, the City Manager should employ the following strategies in the development of the 2026-2027 Proposed Budget that also fully resolves the projected ongoing General Fund shortfall.

- Ensure a comprehensive review of existing spending to identify cost efficiencies and service optimizations that have minimal, if any, noticeable service impacts;

- Increase cost recovery levels for fee-support services, while still being mindful of affordability impacts;

- Identify implementable new revenue streams and include the additional revenues from the ballot measure increasing the Transient Occupancy Tax by 2%, and include a contingency plan of spending reductions should the June ballot measure fail;

- When considering spending reductions,

- Preserve funding for the City Council Focus Areas and the day-to-day core services of the City to the extent feasible, especially those that are vital to marginalized communities;

- Evaluate services with relatively low levels of activity, overlap with services provided by other organizations, or are otherwise outside of the City's traditional core service delivery functions;

- Recommend a phased approach of certain reductions, allowing for a two-year transition where appropriate to help mitigate impacts; and

- Leverage one-time funding to support one-time uses – including deferred infrastructure projects, technology investments, and a limited suite of one-time service enhancements – one-time funding cannot be used to resolve our ongoing shortfall.

While fortunate to have some limited amount of reserve funding, these General Purpose Reserves currently constitute only 4.9% of budgeted General Fund expenditures, well short of City Council's goal of 10%. We have also seen a sharp decline in the Budget Stabilization Reserve (BSR), which stood at $63 million in the 2024-2025 Adopted Operating Budget and now stands at only $12.5 million, as the City has encountered several unexpected expenditure needs and revenue losses over the past two years. As new one-time funding becomes available, we must increase the BSR to ensure the City remains well-positioned to weather any further headwinds that come our way.

Reducing Unsheltered Homelessness

In 2019, San José had one of the highest rates of per capita unsheltered homelessness in the country and nowhere to refer those willing to come indoors. In response to residents' number one concern, we set a clear goal: reduce unsheltered homelessness. Since then, we've matched that goal by optimizing flexible funding and improving collaboration across City departments and with nonprofit and philanthropic partners to deliver significant results.

Today, the City operates nearly 2,200 shelter placements across interim housing, safe parking, and safe sleeping – including 1,000 new placements opened since the start of 2025. Over the same time, unsheltered homelessness has dropped by nearly one-third. Last year, our interim housing system served 2,135 people, of which nearly 70% remain indoors with access to supportive services. Of those who have exited, roughly 30% secured permanent affordable housing, 30% transitioned to another sheltered destination, 8% entered institutional settings, and 7% secured unsubsidized permanent housing.

San José is proving that unsheltered homelessness is solvable. We are creating a model for the rest of California that ends the human suffering on our streets faster and increases quality of life for everyone.

As we complete this phase of shelter expansion, we are shifting focus to system optimization: building on our progress by lowering operating costs without compromising outcomes; increasing successful transitions to permanent housing and self-sufficiency; and deepening our partnerships with the County of Santa Clara (County), State of California (State), and neighboring jurisdictions to, among other initiatives, bring more resources like mental health and addiction services directly to the clients who need it.

Reducing Operating Costs

Last year, the City Manager initiated work in the Housing Department to standardize service delivery and leverage economies of scale across food, security, and property management services at our interim housing sites, with the goal of reducing net operating costs by at least 20% system-wide. By learning and iterating on our service delivery for interim housing, we are currently projecting 15% lower operating costs for emergency interim housing sites compared to last year's forecast, with additional work underway to competitively rebid contracts and find new ways to reduce costs.

As we standardize basic onsite services, site operators can instead focus on delivering quality case management and supportive services, including those that bridge health care and housing. The Focus Area Dashboard for Reducing Unsheltered Homelessness identifies CalAIM reimbursements as a funding source for these services. Thanks to support from the San Francisco Foundation, we're aligning outreach and interim housing operations with available reimbursements to reduce General Fund pressure.

In addition to the great work underway, we must continue to evolve our interim system to make operations more efficient and effective. The City of Sacramento recently adopted a practical approach, allowing the City to collect modest fees – no more than 30% of clients' income – for stays in interim housing. This approach helps ensure that everyone contributes their fair share toward the services they receive, while keeping housing accessible and focused on long-term stability.

Shared responsibility can take other forms. Some interim housing providers are also piloting innovative models that provide clients with opportunities to care for and serve their community. For example, in our Guadalupe Emergency Interim Housing community and San Diego's Safe Sleeping program, clients provide peer-to-peer support and help maintain a clean, welcoming environment. These opportunities provide purpose and work experience that can assist with future job searches.

From the State to local public agencies, we all have a role to play in ending homelessness. The State's Homeless Housing and Assistance Program (HHAP) currently comprises a quarter of our interim housing portfolio's direct operating costs, but it has recently become a less reliable source of revenue. Meanwhile, San José's efforts provide relief to Valley Water, Caltrans, and other agencies with property within San José City limits.

Taking into account the aforementioned trends and opportunities, the City Manager is directed to return with an MBA summarizing and estimating the impact of the various cost-saving and revenue-generating opportunities for our interim housing system in FY 2026-2027, including standardizing and, in some cases, competitively rebidding service contracts, securing CalAIM reimbursements for qualifying services, establishing a fee-based program akin to Sacramento's, and creating a fee-for-service program that partner agencies can utilize. Further, the City Manager is directed to prioritize advocacy for at least $1 billion in annual HHAP funding from the State. Finally, the City Manager is directed to work with partners locally and across the State to explore peer-to-peer programs that build confidence and help reduce operating costs.

Increasing Successful Transitions to Permanent Housing and Self-Sufficiency

The City and the Santa Clara County Housing Authority (SCCHA) enjoy a fruitful partnership on many fronts, including our co-funded interim housing community at Pacific Motor Inn (PMI). These units assist clients who are awaiting permanent supportive housing (PSH) apartments and would otherwise be waiting on the streets until their home is move-in ready. Our data shows that clients at PMI experience shorter stays in interim housing and higher rates of exit to permanent housing. With a total of 72 units, 95 clients – nearly 75% of all exits – moved into a PSH unit in 2025. This model works well for the highest-needs individuals in our community. We are eager to expand this partnership model with SCCHA at the Arena Hotel in 2026.

As we seek to increase transitions to permanent housing, we need more pathways for clients who do not qualify for or need the more intensive PSH units. The Housing Department recently surveyed acuity levels, as measured by the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT), across a majority of the City's interim housing sites. About one-third of interim housing sites primarily serve people with moderate or lower acuity levels. Therefore, the City Manager is directed to prioritize low-income, low-acuity individuals from our interim housing system for affordable housing units funded by the City as those units become available. This change is a logical next step to expand pathways to permanent housing for low-income households. The City Manager is further directed to identify common barriers for throughput, such as clients rejecting offers for PSH, and return to Council with policy recommendations to increase throughput and utilization of our interim shelter system.

We must also continue to expand the supply of permanent housing options available for low-income residents. This year, the City leased five motels to rapidly expand interim housing capacity to humanely resolve some of our largest and longest-standing encampments, most notably Columbus Park. When the City began the effort to rehouse and restore Columbus Park,

approximately 120 lived-in vehicles and 370 people – including 11 children and more than 50 seniors – were living in unsafe conditions in the park. Through intensive outreach and the newly leased motel sites, 254 individuals moved indoors. While this strategy proved effective in bringing hundreds of vulnerable residents – many with complex mental and physical health needs – indoors quickly, operating motel-based interim housing cannot be the final step in their journey. Accordingly, work is underway in the Housing Department to evaluate the most cost- and time-effective pathway to convert select sites to permanent low-income housing, such as Single Room Occupancy units or other permanent low-income housing. The City Manager is directed to accelerate this work and return with a clear acquisition and conversion strategy by Fall 2026.

We must also confront the growing reality that hundreds of our neighbors are living in Recreational Vehicles (RVs) that they view as their most viable form of affordable housing. The City's two safe parking sites – Santa Teresa and Berryessa – represent good-faith efforts to provide stability, sanitation, and case management, but they are not sufficient to meet the need on our streets. We consistently hear from RV dwellers that they want options to retain their vehicles even when other housing options are available, while others prefer to remain in their vehicles long-term. Accordingly, the City Manager is directed to preserve modest funding for the RV buyback program, explore scalable models for extended RV parking – such as working with existing mobilehome parks to expand rentable RV parking – and return to Council with policy recommendations.

Strengthening City-County Collaboration

Preventing homelessness is not just a moral imperative; it is one of the most cost-effective strategies for reducing homelessness in our community. The City, County and Destination:Home launched the Homelessness Prevention System that is a strong example of how our jurisdictions can partner to keep families housed. The model expanded nationwide through the launch of the Right at Home initiative – backed by years of data highlighting the impact and success here in San José. Over the last funding cycle, the system served over 1,800 households – including 1,238 San José families, or 69% of all households supported – providing an average of $8,000 in direct financial assistance and roughly $15,000 in total support when including case management and services over six months. Over 95% of these families remain housed one year later and over 92% avoid entering the shelter system within two years.

The City of San José is proud to be the only city investing millions of dollars into this County-run system year after year. To sustain and grow that impact, the City Manager is directed to preserve 10% of Measure E revenues for homelessness prevention and to explore local, state, federal, and philanthropic funding sources to expand our collective prevention efforts. To further our impact, the Mayor's Office is establishing a new Strategic Partnerships function, supported by the Sobrato Foundation, the San Francisco Foundation, the Silicon Valley Community

Foundation, and Destination:Home. This role is dedicated to cultivating philanthropic and private investments in local programs that have outsized social benefits, including our joint prevention strategies. The City Manager's Office is directed to work in partnership with the Mayor's Office to augment the City's investments in prevention.

San José is leading the State in reducing unsheltered homelessness. As we continue to invest in prevention, reduce the number of people living on our streets, and mitigate impacts on neighborhoods, we need every city and county in California to do its fair share. Therefore, the City Manager is directed to continue advocating for a statewide "fair share" framework that requires each city and county to invest in prevention and build and operate interim solutions to help end the era of encampments statewide, thereby reducing pressure on our local system.

While we advocate for a statewide framework in Sacramento, we are taking action locally by piloting a fair share approach with our County partners. Thanks to Supervisor Betty Duong's leadership and her colleagues' support, the County is collaborating in new ways with the City to better integrate our systems, align public resources to achieve greater efficiencies, and improve outcomes for our most vulnerable residents.

This work is already underway. The City Manager's Office and Housing Department is working with the County's Office of Supportive Housing, Valley Homeless Healthcare Program, and Behavioral Health Services Department to integrate mobile medical and behavioral health teams at the Rue Ferrari and Bernal Emergency Interim Housing communities. In addition to on-site medical care, community health workers from the County are helping clients obtain Medi-Cal benefits, coordinating referrals to mental health and substance use treatment, and providing transportation to appointments. We appreciate the County's commitment to expanding medical and behavioral health care services to additional City-operated interim housing sites in the coming months.

The City and County are also working to strengthen referral pathways, so that clients in interim housing can more seamlessly access the full continuum of behavioral health beds. The County plans to add to its inventory of existing behavioral health beds by opening a new 77-bed inpatient locked psychiatric hospital at Valley Medical Center in Spring 2026, redeveloping a County-owned site into a new 57-bed Mental Health Rehabilitation Center (MHRC) serving up to 171 individuals annually, and potentially converting its former psychiatric facility into a 16-bed sub-acute MHRC. As the County expands the inventory of behavioral health treatment beds, the City and County will develop referral protocols and training for case managers at the City's interim housing communities. Together, these coordinated efforts will close longstanding gaps in residential and inpatient behavioral health care that have disproportionately impacted San José.

The City and County are also working to increase placements into shelter and permanent housing by streamlining referrals through one system. The City currently manages its own referral system for interim housing – providing outreach workers, completing intake, and managing waitlists. Better integration with the County's Coordinated Entry System (CES) – a one-stop system that

assesses residents' needs and matches them to available shelter and housing – presents an opportunity to provide approximately 180 additional placements into PSH per year. The City Manager is directed to continue collaborating with the County to integrate 90% of the City's emergency interim housing capacity to CES while maintaining priority for San José residents; the remaining 10% will continue to provide capacity for City-specific needs.

Our colleagues on the Board of Supervisors have also expressed interest in supporting our interim housing communities by sharing in the operating costs where we have aligned service goals. We welcome the opportunity to build on our shared investments in the Branham-Monterey Emergency Interim Housing community and Salvation Army's Hope Community. The City Manager is directed to evaluate our current portfolio and recommend at least two sites where the County can consider direct cost-sharing agreements.

We are excited to advance all of the elements in our new City-County partnership and are eager to measure the impacts. The Bloomberg Harvard City Leadership Initiative is providing a fellow to help us design a system for tracking and reporting on key outcomes. This capacity is critical to identify and report key performance metrics capturing cost savings, successful placements, and other outcomes, which will eventually inform the Reducing Unsheltered Homelessness Focus Area Scorecard. In the meantime, the City Manager is directed to estimate the cost savings associated with our expanded partnership with the County in the forthcoming MBA summarizing other work to reduce net operating costs in our interim housing and homeless services portfolio.

Finally, the Community Plan to End Homelessness for 2025-2030 should serve as the north star for reducing and preventing homelessness countywide. To that end, the City Manager is directed to engage all relevant stakeholders to align the Community Plan to End Homelessness for 2025-2030 with the City's mathematical model for achieving functional zero and the new City-County partnership framework. This alignment will ensure that our shared strategies, investments, and accountability structures are fully coordinated as we work toward the common goal of ending unsheltered homelessness in San José.

Outreach, Targeted Interventions, and Workforce Development

Despite all of our collective efforts, we cannot prevent everyone from falling into homelessness, so we must improve outreach and engagement to increase placements into shelter, housing, and other services. The Housing Department is leading the effort to ensure the City is strategically deploying outreach workers to align with available interim and shelter options, while still responding to needs across San José. In Downtown, which faces acute challenges partly due to the concentration of services supporting our most vulnerable residents and proximity to the County's Main Jail, the San José Downtown Association (SJDA) provides outreach services to supplement City services. As the City completes shelter expansion, improves outreach data tracking, and partners more deeply with the County, SJDA may want to shift their focus back to their traditional core competency of economic development and small business support. Therefore, the City Manager is directed to work with the SJDA to strategically align outreach

efforts to maximize efficiency and reduce potential duplication of services, allowing them to focus more on small business attraction and retention.

While we have significantly reduced encampments, we are seeing more transient individuals in our neighborhoods and business districts, many of whom exhibit visible behavioral and mental health challenges. Connecting these individuals to appropriate levels of care is an urgent yet complex problem. The City and County are participating in the Bloomberg Harvard City Leadership Initiative which is facilitating coordination across public safety, behavioral health, and shelter and housing systems, beginning with a focus in Downtown where the issue is most visible and acute. The goal is to develop a model that can be expanded citywide. Therefore, the City Manager is directed to continue collaboration with the County as our teams design better outreach, intake, and referral processes and provide a report to the Public Safety, Finance, & Strategic Support (PSFSS) Committee with initial data and findings in Fall 2026.

Homeward Bound is a new but meaningful tool in our broader strategy to reduce unsheltered homelessness by reconnecting individuals with loved ones – often the most transformational support system one can have. Since launching last February, the pilot program has helped 45 people reunite across the country – from New York and Texas to Arizona, Indiana, Colorado, and elsewhere in California – at an average cost of approximately $750 per person, or $33,750 total. By comparison, it would have cost the City about $1.47 million to provide these same individuals with interim housing for just one year, underscoring the program's cost-effectiveness when reunification is safe and appropriate. While Homeward Bound is not a solution for everyone, it is a practical and compassionate option. Accordingly, the City Manager is directed to carry over remaining funds to continue the program and leverage existing flexible funding for interim housing operators to offer relocation support, including but not limited to helping individuals reunite with loved ones, paying for deposits, and covering basic move-in needs. These pathways improve efficiency, and more importantly, help more people return to stable support networks.

We must also continue to support unhoused residents on their path to self-sufficiency. The San José Bridge (SJ Bridge) program provides job training, supports the development of long-term career goals and job placement, and assists in finding permanent housing. The City Manager is directed to measure the efficacy of SJ Bridge and recommend options for optimizing the program to sustain or increase the number of job placements per year while balancing limited funding sources.

Preserving Our Progress

Thanks to our sustained focus and investments in expanding safe, dignified shelter and housing – in large part as required to comply with our EPA-mandated Municipal Stormwater Permit – San José made measurable progress in reducing large, unmanaged encampments, helping improve public health, reduce pollution, improve water quality, and keep neighborhoods cleaner. Today, the City has established No Encampment Zones (NEZ) along nearly 25 miles of priority

waterways, next to shelter and interim housing, and along key corridors where we invested millions in rehousing unhoused residents and clearing long-standing encampments.

While we've made significant progress, particularly along our waterways, our current footprint does not yet encompass the full mileage identified in the City's multi-year compliance strategy. At the same time, maintaining existing NEZ requires sustained coordination across encampment management and enforcement teams. While we recognize and support the need to expand NEZ – whether to meet additional compliance mileage or address public health and safety concerns – doing so without additional resources risks diluting monitoring capacity, reducing responsiveness, and increasing the likelihood of re-encampment.

Therefore, the City Manager is directed to prioritize preserving our progress along the City's existing NEZ, consistent with Stormwater Permit obligations and Focus Area goals. The City Manager should assess current staffing, the remaining mileage identified in the City's multi-year compliance strategy, the estimated resources needed, potential funding strategies, and possible service trade-offs so the Council can make informed decisions about sequencing, scale, and fiscal sustainability. Further, the City Manager is directed to formalize criteria for establishing and maintaining NEZ, including performance metrics for ongoing monitoring and re-encampment prevention.

With the city's last large encampment at Coyote Meadows scheduled for abatement over the next few months – and the substantial progress we've made to open 1,000 new placements for unhoused residents in the last year – we will shift from decommissioning major encampments to addressing approximately 130 dispersed encampments across the city. This new landscape provides a welcome opportunity to optimize BeautifySJ (BSJ) operations and begin reducing costs associated with encampment clean up efforts. Therefore, the City Manager is directed to right-size BSJ operations by reducing reliance on contracted services while maintaining the resources needed to provide trash and biowaste services, ensure compliance with the Code of Conduct, and preserve our existing NEZ.

Over the last year, my office and the City Manager's team partnered with State Senator Dave Cortese and Caltrans to establish a Delegated Maintenance Agreement (DMA) to reimburse San José for encampment management at 13 state-owned locations that generate a high volume of complaints and outsized costs. Sustaining this shared commitment requires continued partnership and State support. The State's Encampment Resolution Funds (ERF) can do just that, by providing the necessary funding to offer outreach services, housing placement, and restoration of heavily impacted encampment locations on Caltrans property. The City Manager is directed to advocate for State ERF funds to be prioritized for cities with existing DMAs.

Oversized Vehicle Enforcement

San José has reduced the number of oversized and lived-in vehicles on city streets from 960 to 523, a 45.5% reduction over the last year. This substantial progress is a result of various Council-directed initiatives, including the Oversized Lived-In Vehicle Enforcement (OLIVE) Pilot Program; enforcement of existing state laws concerning expired vehicle registrations; and expansion of the RV buy-back program, RV parking, and interim housing. These efforts provide pathways for individuals to move into safe, dignified alternatives to city streets, resolve longstanding parking and public safety concerns, and help prevent long-term oversized vehicle parking.

Additional work is underway to establish a parking enforcement team focused on extended parking concerns and pilot tow-away zones when conducting enhanced street sweeping. These additional tools will provide an opportunity for the City Manager to assess the cost-effectiveness and impact of various strategies aimed at regulating unauthorized oversized vehicle parking throughout San José. The City Manager is directed to complete the work underway, evaluate lessons learned from all of these initiatives, and return to the City Council as part of future Focus Area updates with recommendations for preventing the prolonged parking of oversized vehicles on city streets. Further, direct the City Manager to align existing resources to enhance parking enforcement immediately near existing NEZ.

Cleaning Up Our Neighborhoods

For the first time since the launch of our annual Community Opinion Survey, beautifying our city ranks among residents' top three priorities for making San José a better place to live. We also saw the largest gains in resident satisfaction for cleaning up our public spaces, with satisfaction increasing by 13% and 10% for blight and graffiti removal, respectively. Resident feedback validates the measurable progress made and sends a clear message to remain focused on this work.

In Fiscal Year 2024-2025 alone, we removed 24.4 million pounds of trash, including 14.3 million pounds specifically tied to illegal dumping and litter reduction, and eradicated 2.5 million square feet of graffiti. Increased coordination between BSJ and the San José Police Department (SJPD) resulted in multiple high-profile arrests and an 18% reduction in graffiti in public spaces, demonstrating that enforcement works. In addition, the Clean Gateway program, which maintains landscaping in 13 key entry points to Downtown and major corridors, is creating a welcoming environment for residents and visitors alike. While this represents meaningful momentum, clean and well-maintained neighborhoods do more than improve appearances – they strengthen civic pride and improve residents’ sense of safety.

Strengthening Code Compliance

Over the past two years, our queue of code cases has more than doubled. While we continue working through these, we are shifting to more proactive enforcement to hold repeat offenders accountable. Following a comprehensive assessment of Code Enforcement, the City Manager has initiated work to enhance the tools available to hold negligent property owners accountable: the Chronic Offender Resolution and Enforcement (CORE) pilot program will require properties with frequent code violations to register and undergo additional inspections; a standardized Escalated Enforcement Policy sets clear compliance timelines and expectations for escalating enforcement; the implementation of CodeX provides a streamlined case management system that will strengthen prioritization and data-driven decision-making; and the Administration is evaluating policies governing fines to enhance compliance and improve coordination across departments. To ensure these strategies are delivering measurable results, the City Manager is directed to incorporate performance metrics into the Cleaning Up Our Neighborhoods Focus Area Dashboard that capture reductions in repeat violations and shorter case durations as we strive to eliminate chronic blight.

While this work is underway, the Downtown Enhanced Vacant Building Program is addressing some of our most visible blight on private properties. Since 2023, 169 vacant or chronically blighted properties have been noticed through the program, resulting in 49% of the properties coming into compliance. However, the temporary staffing supporting this effort is at risk due to the current vacant building registration program generating insufficient revenue to sustain the position. To preserve progress, the City Manager is directed to provide one-time funding to continue this program and produce an MBA updating the cost-recovery fee structure to sustain this work into future years.

Despite recent reforms, our response to illegal dumping citywide is too slow. On average, it takes 65 days to review and eventually cite illegal dumpers, allowing blight to persist. Our Code Enforcement and BSJ teams are identifying ways to resolve issues sooner and reduce pressure on the queue of code cases. The City Manager is directed to accelerate this work by exploring delegating authority to BSJ to issue pre-citation warning letters, with the goal of reducing notification timelines to approximately 10 days, which should be measured and reflected in both the BeautifySJ Annual Report and the Cleaning Up Our Neighborhoods Focus Area Dashboard.

Smarter Blight Enforcement and Eradication

Building on last year’s direction to strengthen enforcement and deterrents, the City increased inter-departmental coordination and took a greater number of enforcement actions. This effort has reduced graffiti citywide, but a growing percentage of graffiti removal requests (29.35%) now involve private or interjurisdictional properties, suggesting that some amount of tagging is shifting to private property to avoid enforcement. At the same time, illegal dumping remains concentrated in repeat hotspot corridors, with crews returning to certain locations numerous times throughout the year.

Graffiti on private property becomes a code violation that requires the victims of property crime to pay for removal. While BSJ responds to 94.5% of graffiti removal requests within 3-5 business days, private property owners often take much longer from notice to removal. This not only extends the visibility of blight, but puts an unfair burden on small business owners and residents alike. To address blight faster and provide a valuable service to local property owners, the City Manager is directed to produce an MBA with analysis and recommendations for a fee-for-service model that would allow, on a pilot basis, city staff to address graffiti on private property more quickly with minimal or no impact on the General Fund.

Our experience shows that investments in targeted monitoring and deterrence can reduce vandalism. In areas of the city where surveillance cameras have been installed, for example, illegal dumping has decreased by an average of 32%. However, most illegal dumping and graffiti incidents occur when no personnel are actively monitoring our cameras. Emerging technologies promise to improve monitoring and response times in hotspot areas. The City Manager is directed to evaluate deploying AI-enabled monitoring on existing City-owned camera infrastructure to strengthen enforcement and return to City Council with recommendations if a cost-effective implementation is likely to reduce blight.

Aligning Services and Improving Transparency

San José provides Free Junk Pickup as a no-cost service for residents, yet illegal dumping remains persistent in several neighborhoods, especially near large apartment complexes. While both Free Junk Pickup and BeautifySJ's response teams aim to tackle this problem, incomplete pickups and fragmented service deployment can unintentionally contribute to repetitive visits to the same location and increased costs. We must ensure these programs operate in alignment, close operational gaps, and employ the most cost-effective methods to meet our City's needs.

The City Manager is directed to produce an MBA that:

- Evaluates how Free Junk Pickup and BSJ's illegal dumping response can be better integrated, with a goal of maximizing blight reduction per dollar spent.

- Quantifies performance gaps by tracking the frequency and root causes of incomplete Free Junk Pickup requests and, if feasible, assesses whether these incidents generate calls for service that require BSJ follow up.

- Assesses outreach effectiveness in hotspot neighborhoods and proposes strategies for aligning the Environmental Services Department and BeautifySJ public education and marketing efforts.

Operational clarity is equally important. Residents report confusion when Free Junk Pickup requests are immediately marked "closed" in SJ311 prior to actual collection. Thanks to the City Manager's Customer Service Vision – a multi-year investment and cross-departmental initiative

to improve how residents interact with City services – efforts are underway for greater transparency and responsiveness. To ensure successful execution and measurable outcomes, and in alignment with the continued investment necessary to implement the Customer Service Vision, the City Manager is directed to provide one-time funding to support SJ311 advisory, technical, and implementation capacity necessary to advance this work and deliver sustained improvements in service tracking and responsiveness.

Sustaining Community Impact

Cleaning up and beautifying San José requires continued partnership with our community. The city provides ongoing funding to support beautification efforts. Last year, the BSJ Grant program activated hundreds of neighbors across every Council district, and our clean creek partners mobilized hundreds more to help protect our waterways. To continue this important work, the City Manager is directed to maintain funding for these grant programs.

Increasing Community Safety

Last year, San José regained its status as the safest big city in the nation. Crime has declined recently, with crimes against persons and property down 12% and 8% year-over-year, respectively, and homicide clearance rates at 100% nearly four years running. These outcomes are not accidental – they reflect disciplined leadership, strategic deployment, and the professionalism of a lean but highly optimized public safety workforce.

Today, 977 street-ready officers protect a city of over one million residents. While many peer cities benefit from higher staffing ratios, San José has leveraged technology, data-driven deployment, and specialized units to maximize impact. To sustain this progress, we must stabilize our workforce, supplement capacity through technology, and break cycles of repeat crime and behavioral health crises that require an outsized share of emergency service resources.

Stabilizing Our Workforce

The SJPD is one of the most effective police departments in the country, which is particularly impressive given our nationally low staffing levels. As of January 2026, SJPD had 977 street-ready officers available for deployment, up from 972 twelve months prior, indicating that we are beginning to reverse declining staffing driven by historically low Academy applications in recent years.

While good news, we cannot take continued progress for granted. In FY 2024-2025, the department hired 115 recruits and laterals while 125 officers separated from service. In response, SJPD set a goal of increasing Academy class sizes to 40 recruits to help stabilize staffing levels and offset attrition. The June 2025 Academy began with 42 recruits, and upcoming classes are nearing that benchmark – demonstrating that focused recruitment investments are producing

results. Therefore, the City Manager is directed to continue investments in marketing, recruitment, lateral hiring incentives, and backgrounding to accelerate hiring timelines.

Investing in our local talent pipeline will boost Academy enrollment and help the department reduce vacancies over time. The Cadet Program stipend included in last year's budget kept four San José-based alumni cadets engaged with the department prior to entering the Academy, demonstrating that young people in our community are willing to pursue sworn careers in SJPD if given support to bridge the gap between the Cadet program and the Academy. The City Manager is directed to continue funding the Cadet-to-Academy stipends to maintain engagement with prospective officers who have strong local ties.

Technology

New technologies give us an opportunity to deliver more impact per hour of staff time by reducing administrative burdens, accelerating information sharing, and reducing response times, while maintaining strong privacy safeguards.

San José is a national leader in responsible data governance. We earned the What Works Cities Gold Certification for embedding data review frameworks into procurement and establishing an AI algorithm registry. Through Bloomberg Philanthropies' City Data Alliance program, we developed a three-year Citywide Data Strategy to guide responsible collection and use of data. This foundation allows us to expand technology thoughtfully and transparently.

SJPD's Real Time Intelligence Center (RTIC) is a proven force multiplier, providing critical monitoring and investigative functions to the department. Most recently, RTIC assisted in identifying and arresting a serial arsonist responsible for approximately 19 vehicles being set on fire. Since its creation, the department has used RTIC's capabilities to more effectively respond to and ensure justice in hundreds of criminal incidents. To sustain and scale this model, the City Manager is directed to continue funding RTIC and evaluate the integration of additional City-owned camera networks, including Airport, Library, and Department of Transportation systems.

Retail theft continues to impact both small businesses and major commercial corridors. Thanks to support from the Santa Clara County District Attorney's Office, San José businesses have integrated Fusus CORE devices into their camera system, which provides RTIC with live feeds during emergencies. The City Manager is directed to identify, and conduct outreach to, the remaining crime-impacted corridors that would benefit from RTIC integration, with the goal of expanding the integration of these devices to help SJPD solve crimes faster.

Technology can also automate some of the most time-consuming and least fulfilling aspects of the work. SJPD officers currently spend approximately 5,000 hours per month drafting and validating reports, which contributes to higher overtime costs, fatigue, and reduced presence in the community. According to SJPD, using AI to assist in translating body worn cameras into reports can reduce time spent by up to 65%. Therefore, the City Manager is directed to allocate

funding to pilot an improved AI-assisted transcription solution that can be expanded if the initial results are promising.

Finally, San José has made progress towards its Vision Zero goals, including a 45% reduction in traffic fatalities since 2022. However, even one life lost is too many, which is why Vice Mayor Foley and many of us at City Hall have vocally advocated for automated speed safety systems over the years. Following a legislative victory in Sacramento, San José was awarded a federal grant in May 2024 to launch a speed safety pilot. Unfortunately, after nearly two years of waiting, federal funding remains uncertain. The City Manager is directed to develop a local funding strategy that leverages anticipated citation revenue to advance our speed safety camera pilot.

Breaking the Justice-Involved Cycle

A relatively small number of repeat offenders with untreated behavioral health conditions continue to drive a disproportionate share of harm in our neighborhoods. Over a three-month period, our newly-established Neighborhood Quality of Life Unit (NQOL) encountered this reality across hundreds of contacts. While a majority of contacts involved individuals suffering from substance abuse or mental health crises, less than 1% of individuals arrested or cited for committing crimes entered treatment, which is where they are most likely to receive the supportive services they need. As these individuals return to the streets within days or even hours of encountering the criminal justice system, many pose an ongoing risk to themselves and others.

Thanks to our new City-County partnership, we have a better understanding of the gaps in our behavioral health system and are taking steps to meet the true need. However, as NQOL contacts show, voluntary engagement alone is not sufficient for individuals cycling through our system. The DA's and judges' post-arrest decisions – including charging, sentencing, and court-ordered treatment – often provide the level of intervention necessary to ensure that an individual gets the help that they need.

Voters approved Prop 36 to restore judges' authority to mandate treatment for repeat offenders or impose a consequence for non-compliance. Yet as of October 2025, only one defendant in our County was enrolled in a court-mandated treatment program through this pathway. By contrast, San Diego County has enrolled 493 eligible defendants into treatment to address addiction or other underlying drivers of crime. This success is due to leaders in San Diego County aligning their judicial and behavioral health system and expanding treatment placements to include sobering centers and outpatient services. The City Manager is directed to organize a study mission to San Diego County with City, County, and judicial partners to examine its Prop 36 implementation framework and assess how its alignment of enforcement and treatment pathways could inform improvements locally. Further, the City Manager is directed to convene City and County leadership to present findings, establish a system for tracking sentencing outcomes and reoffenses, and report back to PSFSS with recommendations to increase treatment use and reduce repeat contacts with law enforcement.

Emergency Medical Response

San José has demonstrated that smarter coordination can reduce pressure on emergency room systems. Through alignment with the County's 911-to-988 training and diversion efforts, our monthly transfers have increased from fewer than 10 to approximately 150. This progress demonstrates that when City and County systems align, call diversion can increase.

However, San José's emergency response system continues to absorb a growing number of behavioral health and high-utilizer calls that do not always require a traditional emergency room transport. These responses are resource-intensive and often result in endless cycling between street, emergency departments, and first responders. As the County shifts clinical resources away from the joint Psychiatric Emergency Response Team to other needs, San José must continue to evolve our alternative response model.

Thanks to the City Manager's Office and the San José Fire Department, we have an opportunity to pilot a Community Paramedicine model as an alternative to transport-based response. Specialized paramedics would provide field-based stabilization, coordinated follow up, and connection to appropriate care. The City Manager is directed to design and allocate one-time funding, leveraging opioid settlement funds if feasible, to pilot a Community Paramedicine model focused on reducing avoidable emergency calls and repeat 911 utilization, and establish measurable performance outcomes in the Increasing Community Safety Focus Area Dashboard. Further, as we continue optimizing the pathways for residents in need of medical care, the City Manager is directed to assess the feasibility of implementing a 911 telemedicine model.

Youth Intervention

As several Councilmembers emphasized during our February budget study session, youth intervention and prevention programs are foundational public safety investments. The Children and Youth Services Master Plan (CYS Master Plan) provides a roadmap to align City resources around upstream prevention, culturally competent services, and measurable outcomes that support children, youth, and families – particularly in neighborhoods that have experienced historical disinvestment. To sharpen accountability and results, the Increasing Community Safety Focus Area should explicitly include a youth violence prevention problem area aligned with the CYS Master Plan.

The City Manager is directed to set aside one-time funding of $500,000 – with the option to earmark a portion to leverage additional private investment—and return with an MBA recommending how to expend these funds to advance CYS Master Plan priorities. The MBA should consider the role of the San José Youth Empowerment Alliance (SJYEA), the City's primary platform for youth violence prevention and intervention, and prioritize optimizing SJYEA's highest-performing and highest-reaching initiatives. In 2024-2025, SJYEA-supported programs demonstrated real impact in the 30 schools it served, contributing to a 15% reduction in school incidents through the Safe School Campus Initiative, achieving an 87% success rate of

removing gang-affiliated tattoos through the Clean Slate Tattoo Removal Program, and supporting 150 youth in job placements through SJ Works.

The MBA should also describe how the expenditure of the $500,000 complements the continuation of existing City programs aligned with CYS Master Plan priorities – including youth intervention, afterschool programming, and family stabilization efforts. Investments should remain place-based and equity-centered in communities with the greatest need. Further, to sustain and scale what works, the City Manager is directed to identify steps that can be taken next fiscal year – through SJYEA or another appropriate forum – to engage partners in identifying programs that would have the greatest impact in advancing the CYS Master Plan, and to return with recommendations to the Neighborhood Services and Education Committee in Fall 2026. These recommendations will help inform the future Strategic Partnerships Lead in the Mayor's Office to develop a strategy that leverages private and regional partnerships, ensuring City dollars are catalytic, coordinated, and deployed for measurable impact.

Growing Our Economy

Silicon Valley has helped California become the fourth-largest economy in the world and generates more than 40% of the state's personal income tax revenue. As the Capital of Silicon Valley, San José attracts talent and entrepreneurs from across the country and around the world, in pursuit of opportunity. We see this diversity reflected in our 60,000 small businesses, half of which are owned and operated by immigrants. It is also evident in the founders and tech leaders building the next generation of world-changing technologies who chose San José to access unmatched technical talent, tap every aspect of the hardware supply chain locally, and operate within the most active venture capital market in the world.

Local government plays a supporting role in encouraging economic development and expanding access to economic opportunity so that everyone in our community can thrive. When businesses open and invest here, they create jobs and income for residents. In turn, we grow our tax base through property, sales, and business tax revenues. This revenue funds essential city services that improve quality of life for residents and employers alike, which in turn attracts more investment. If this virtuous cycle stalls, budget deficits and painful tradeoffs emerge as we struggle to maintain essential city services and risk losing businesses and jobs. We must remain focused on growing economic opportunity and our tax base by supporting the industry clusters most likely to drive future job growth, doubling down on the experience economy, and strengthening our commercial corridors and small business ecosystems.

Speed to Power

As the world's largest and most innovative companies reinvent themselves with AI, one factor will have an outsized impact on where they invest: energy capacity. Hyperscalers are actively searching for "speed to power" – how quickly they can interconnect with the grid and access power at scale – for their data center, lab, and manufacturing needs.

In recent years, California has fallen behind. Long connection timelines, limited power capacity, and poor coordination have pushed investment to other states and even other countries, risking our long-term competitive edge. As the Capital of Silicon Valley, San José did not wait for the grid to catch up.

After months of negotiations and joint planning, the City and PG&E forged a new partnership that will allow San José to connect more large-load customers faster than any other city in the state over the next five to ten years. PG&E has committed more than $1.6 billion to expand electrical capacity in the San José Metro Area. CAISO and LS Power will deliver 2,000 MW of power to San José through new high-voltage transmission lines – representing a combined $3.5 billion investment in new electrical capacity. These infrastructure improvements are happening now, not years down the road, making San José the most "Power Ready City" in California.

In response to these upgrades, unprecedented development is already moving through our pipeline, and each project has the potential to significantly expand the City's tax base. For context, each 99 MW data center within city limits generates roughly $6 million in utility taxes and $1 million in property taxes – revenue that funds essential city services and schools.

Our work to provide "speed to power" adds to our City's unique assets that make San José a magnet for innovators. We have ample commercial and industrial land that is roughly 30% cheaper than neighboring cities. There is also no greater concentration of talent: one in five of our residents hold STEM degrees and one in five jobs are in tech and manufacturing. San José State University, the No. 4 public university in the country, is breaking enrollment records, producing more Silicon Valley hires than any university in the U.S.

To maintain and strengthen San José's competitive edge, the City must align strategy, operations, and measurable outcomes around the industries where we hold a clear competitive advantage. Over the past year, the City Manager's Office of Economic Development and Cultural Affairs (OEDCA) has sharpened its focus on defined outcomes, particularly in its work to retain and grow jobs in priority sectors under the Growing Our Economy Focus Area.

OEDCA has preliminarily identified nine priority economic growth sectors for targeted engagement over the next two years, but deeper analysis is required to determine which clusters represent San José's strongest competitive position within Silicon Valley. Rather than spreading limited resources across too many sectors, we should concentrate our efforts – clearly telling our story and aligning staff capacity, business outreach, incentives, and investment around the

industries where San José can deliver the greatest measurable impact in terms of high-paying jobs and organic tax base growth.

The City Manager is directed to develop a three- to five-year Business Development Strategy that identifies three priority industry clusters where San José demonstrates a distinct competitive advantage and return to City Council by December 2026.

Making San José a Better Place to Invest

With ample industrial land and access to power, San José's has a strong competitive advantage in manufacturing – a sector that employs nearly one in five jobs in our community. As we sharpen our focus on industry clusters where San José can lead, such as semiconductors and hardware, manufacturing as an overall sector undoubtedly will be a key part of our strategy. To support continued growth in high-paying manufacturing jobs, the City Manager is directed to explore streamlining the approval of advanced manufacturing in Light Industrial (LI), Heavy Industrial (HI), and Industrial Park (IP) zoning districts by designing a ministerial approval process that accelerates investment while maintaining standards.

We established the Downtown Leasing Incentive Program in October 2024 to encourage leasing and revitalize daytime activity in Downtown. The current program is limited to leases under 2,500 square feet for traditional office, R&D, and financial services, potentially limiting its effectiveness in today's entrepreneurial environment. While the program serves as a relatively low-cost market signal to attract tenants, it is only authorized through December 2026. With changing market conditions and fiscal constraints, it is an appropriate time to assess whether the program, as structured, is achieving its intended purpose. Therefore, the City Manager is directed to evaluate the Downtown Leasing Incentive Program and return to Council with recommendations to improve its effectiveness.

Making San José a Destination

Downtown San José is growing as a destination for dining, culture, and entertainment thanks to the creativity and entrepreneurial spirit of local businesses and arts, sports and entertainment organizations. In-person, social experiences bring people into our hotels, restaurants, bars, and businesses, and continue to offer growth potential as we shape Downtown into Silicon Valley's definitive entertainment destination.

That momentum is on full display in 2026, as San José becomes the first metro area in history to host the Super Bowl and FIFA World Cup matches in the same year. We raised over $5 million from local employers to create memorable fan experiences around these anchor events, and we're already seeing that preparation pay off.

Nearly half a million unique visitors came to Downtown San José during Super Bowl week this February, driving significant increases in hospitality and small business revenue. Hotel

occupancy increased 21% during the week compared to the Super Bowl in 2016 while hotel revenue increased 59%. San Pedro Square Market business owners experienced their busiest weekend ever, surpassing their previous single-day sales record by more than 30%. Our City Hall Plaza Block Parties were headlined by internationally acclaimed music artists – Kehlani and DJ Dom Dolla – contributing to a 43% increase in unique visitors Downtown. Hotels, restaurants, and small businesses will continue to see economic benefits with March Madness and FIFA World Cup matches ahead that bring visitors from around the world.

Thanks to the reputation we're building for successfully hosting large events and fan experiences, San José was recently selected as one of six cities nationwide to host matches for the 2028 Olympic football tournaments as part of the LA28 Games. PayPal Stadium, home of the San José Earthquakes, will host group stage and knockout matches, placing our city on the international stage once again. Clearly, our efforts are helping redefine San José as the premier cultural and entertainment destination it can and should be.

For decades, the San José Sharks have carried the lion's share of that work. Last year's deal to keep the team in San José for at least the next 25 years includes upgrades to modernize SAP Center and attract world-class acts. These upgrades will improve the customer experience and extend the life of an essential city-owned asset that anchors our Downtown and provides an economic foundation for surrounding business corridors.

Cities that intentionally organize this activity into a coordinated Sports and Entertainment District see outsized returns. The Battery Atlanta, a three million-square-foot mixed-use district anchored by Truist Park, attracts approximately nine million visitors annually and integrates retail, unique entertainment, and chef-driven restaurants into a cohesive destination. Over time, multiple corporate headquarters and thousands of high-paying jobs have relocated into the area. We can pursue a similar model in the greater Downtown area by engaging key property owners to better understand market demand and investor interest.

Therefore, the City Manager is directed to initiate a procurement to identify potential development partners capable of realizing a Sports and Entertainment District, and explore the allocation of one-time funding to analyze the site readiness of key assets, and return to City Council with recommendations no later than December 2026.

While progress has been made connecting the SAP Center, Little Italy, and San Pedro Square along Sharks Way, additional funding is needed to complete these Downtown connectivity improvements. The City Manager is directed to explore the allocation of one-time funding to match up to $250,000 of Downtown Property-Based Improvement District funding to complete the current phase of the Stitching Districts initiative, and to expand the connectivity to include additional geographies, and work with stakeholders to advance the next phase of connections that strengthen safety, activation, and private investment.

Capital Improvements to the San José McEnery Convention Center

The San José McEnery Convention Center is a cornerstone of our experience economy. NVIDIA's annual GPU Technology Conference (GTC) brought more than 25,000 visitors to the City, driving citywide hotel occupancy to 98% and Downtown hotel occupancy to a peak of 99.3%. These hotel stays directly contribute to our Transient Occupancy Tax (TOT) that generates revenue for arts programming, cultural facilities, and flexible funding for essential services. To compete for similar high-attendance, extended-stay events, we must modernize our facilities. The City Manager is directed to identify and prioritize near-term capital improvements that position the Convention Center to attract high-impact events and maximize TOT revenue.

Outdoor Special Events

Outdoor special events play an important role in shaping San José's community identity by activating public spaces and reinforcing the character of our neighborhoods. A recent City audit identified systemic inefficiencies in how we permit and bill for outdoor events. Organizers navigate multiple departments, receive separate invoices, and sometimes are billed months after an event occurs. This fragmentation undermines our Customer Service Vision and discourages investment in future events.

Peer cities, such as Oakland and San Diego, already utilize shared permitting platforms, and Sacramento has initiated procurement of a similar system. Therefore, the City Manager is directed to build on the permitting software pilot and advance procurement of a centralized permitting and billing system to streamline this process.

Supporting Small Businesses

Small businesses power San José's neighborhood commercial districts and create the vitality, culture, and opportunity that define our communities. Of the more than 60,000 businesses operating in San José, nearly half are immigrant-owned. Together, these businesses employ more than 150,000 residents and anchor the commercial corridors in our neighborhoods. Over the past two years, the City issued nearly 6,800 new business tax certificates, marking ten consecutive years of net business growth. To continue fostering a strong business community, we must reduce bureaucratic barriers, continue offering storefront activation grants, and strengthen business outreach and commercial corridor support.

The Storefront Activation Grant program helps entrepreneurs cover startup costs such as tenant improvements, equipment, and signage, and help fill vacant properties. Since 2016, the City has awarded 241 grants, primarily in Downtown and East Side corridors, and 236 of those businesses remain open today, reflecting a 98% success rate. Demand for these grants continues to exceed funding. In Fiscal Year 2025-2026, the program is funded at $350,000, while the current waitlist

totals $815,000. The City Manager is directed to continue funding the Storefront Activation Grant on an ongoing basis, explore a modest increase in funding to address unmet demand, streamline the application process, and explore philanthropic partners to match City contributions.

In addition to helping activate our storefronts, the City must also remove regulatory barriers slowing the opening and expansion of neighborhood businesses. San José is home to 3,276 unique food and beverage businesses that support more than 24,000 jobs. Restaurants generate the largest share of local sales tax revenue at 15%, and in 2025 restaurant sales tax receipts reached the highest level in the City's history.

To better understand industry challenges, the Mayor's Office convened a Restaurant Roundtable with operators, elected officials, and City and County departments. Restaurant operators reported delays in follow-up inspections that increase costs and delay openings. The City Manager is directed to recommend process improvements that reduce turnaround times and minimize the need for re-inspections and plan and permit resubmittals. The City Manager is also directed to explore a fee-based expedited inspection pilot to provide faster turnaround times for food and beverage businesses.

Beyond grants and streamlining processes, sustained on-the-ground outreach remains critical to supporting both our small business and corporate communities. The City Manager is directed to continue the three limit-dated business outreach roles within OEDCA to continue supporting commercial corridors like Story Road, East Village, and Alum Rock. The City's investments through these grants have been impactful for East San José entrepreneurs; however, as a sole investor, the City lacks the resources to provide investment at the scale this community deserves. East San José needs a comprehensive framework that aligns public, private, and philanthropic investments.

Earlier this year, the School of Arts and Culture broke ground at La Placita – a physical hub for cultural programming, family resources, and entrepreneurship – following a successful $30 million capital campaign, including $4.2 million from the City, $6 million from the Knight Foundation, and millions from other partners. To build on that success, Councilmember Ortiz recommended the development of an Eastside Revitalization Plan to drive capital investment in East San José that, if successful, will create funding at scale to strengthen communities in this historically underinvested area of our City. To launch this effort, the City Manager is directed to explore one-time funding for consultant services to create a focused strategy for Eastside investment.

Leveraging our Airport for Economic Growth

San José Mineta International Airport (SJC) is consistently among the highest-rated City services. Despite strong customer satisfaction, however, passenger volume has declined since

2023. In 2025, SJC served 10.6 million passengers, down from 11.9 million the prior year, and 33% below the 2019 peak.

Air service is a core economic competitiveness issue. Route availability influences corporate decisions, business travel efficiency, and tourism. As regional competition for flights and airline investment intensifies, San José must intentionally approach restoring and expanding services. Accordingly, the City Manager is directed to partner with one or more local business associations to engage major regional employers to assess route demand and attract additional domestic and international service to SJC where feasible.

Community Celebrations

San José will celebrate several significant anniversaries over the next two years that provide an opportunity to showcase the city's history, culture, and global partnerships. In addition to this year's national Semiquincentennial, in 2027 San José will commemorate both the 250th anniversary of its founding as Pueblo San José de Guadalupe and the 70th anniversary of the San José-Okayama Sister City Relationship.

Our 2025 Fourth of July fireworks shows were impacted by the Yolo County warehouse explosion and capacity constraints at Almaden Lake Park. Despite these challenges, the City successfully hosted its first-ever drone show at Lake Cunningham Park in lieu of traditional pyrotechnics. The Semiquincentennial provides an opportunity to host more robust and coordinated celebrations. The City Manager is directed to explore allocating one-time funding for a large civic celebration in San José for July 4th, 2026 and support coordination as needed.

San José is also home to one of three remaining Japantowns in the United States. Our Sister City relationship with Okayama is the second oldest in our nation's history. Historically, these anniversary celebrations have included sending a delegation from San José to Okayama, followed by hosting a delegation from Okayama the following year. One of our most cherished gifts from Okayama was the Momotaro, or "Peach Boy" statue – a symbol of the longstanding friendship and cultural exchange between our sister cities. Unfortunately, the bronze statue was stolen from its stand in Guadalupe River Park and has not been recovered. Our Vice Mayor began coordinating with the Mayor of Okayama, and plans are underway to replace the Momotaro statue. A foundry has been identified, and the cost of shipping the statue to San José has been secured. The City Manager is directed to explore allocating funds to replace the Momotaro statue.

The City has benefited from dedicated leadership focused on fundraising for and coordinating major community events in advance of the 2026 big games. Successful coordination of these large-scale events requires dedicated staff capacity to work cross-departmentally and with community partners. The City Manager is directed to explore one-time funding for a Major Events Lead within the Office of Economic Development and Cultural Affairs, who will coordinate and plan for the Semiquincentennial and the hosting of the Japanese delegation in

2028. The City Manager is directed to return in Fall 2026 with an initial approach for coordinating these two major events, and to provide semi-annual updates to the Community and Economic Development Committee thereafter. Planning and coordination efforts for the Semiquincentennial should include the establishment of an advisory committee composed of the Mayor's Office and key stakeholders, and staffed by the City Administration. The advisory committee will meet regularly to guide planning, stakeholder engagement, and fundraising.

Building More Housing

Housing affordability remains one of San José residents' top issues, ranking as the second highest in this year's annual survey. Data underscores these concerns with 35% of homeowners and 49% of renters in San José spending more than 30% of their income on housing. If we want a city where working families can stay, where young people can build a future, and where seniors can age in place, we must build more housing.

We know that increasing housing supply stabilizes home prices and increases economic opportunity. Over the past year, we have taken meaningful steps: passing a ministerial ordinance that cut approval timelines in half; reducing one-time fees to unlock over 2,000 new homes stuck in the development pipeline; and condoizing the City's first ADU, which created a new rung on the homeownership ladder. Overall, in 2025 we permitted 2,629 units, including 1,269 affordable units and 395 affordable units with City subsidy. But we are still not building enough to meet demand and must keep pushing to remove barriers to homebuilding.

Accountability and Transparency

Fragmented ownership of approval processes is a major barrier to investment, which is why leadership and focus are critical. Many departments play a role in approving every home built in San José, including Planning, Building, and Code Enforcement, Housing, Parks, Recreation, and Neighborhood Services, Transportation, Public Works, and Fire. We must ensure that the process is seamless for customers. To reduce project timelines, the City Manager is directed to streamline development services processes with a focus on delivering "one team" coordination across departments.

Every leader needs the right data to manage complex systems. To hold ourselves accountable, we need to track our progress transparently. San José should develop public-facing permitting tools, similar to Virginia's Permit Transparency system, that tracks time with each department and outside agencies, alongside target completion dates. This level of visibility will help us manage performance, and identify delays early. To support this work, the Responsive Cities Network – supported by Data-Smart City Solutions at the Bloomberg Center for Cities at Harvard University and the John S. and James L. Knight Foundation – is funding a full-time Service Innovation Fellow for two years to serve as both a data strategist and community collaborator, focusing on four select service areas: permitting, streets, parks, and sanitation. The City Manager

is directed to collaborate with the Data Fellow to develop permit transparency tools, such as permitting Gantt Charts and target completion dates.

Tracking data is necessary, but not sufficient. We must also set performance targets and meet them. San José's ministerial approval ordinance fasttracks any housing project that complies with the zoning in our planned growth areas. This past year we approved a 540 unit development in half the time as a result of this policy. Now we should move from "faster" to "guaranteed." signaling to the market that San José is investment ready. The City Manager is directed to create a guarantee for approval of all Ministerial Projects within a 90 days of complete submission, counting only the time the project is within City control. If the time is exceeded, the entitlementment for the housing project should be deemed approved.

Fee Transparency

To attract more investment in housing, developers need to fully understand the costs. One of the first questions anyone asks before we buy something is "what is the cost?" Estimating the fees for any housing project can be complicated and time consuming. Both developers and City staff would benefit from a system that does not require hours of staff time to determine fees. A simple system of calculating fees on a per square foot basis is easier to administer and creates transparency for the marketplace. The City Manager is directed to align all City imposed housing development impact fees and taxes on a per square foot basis in a way that is effectively revenue neutral.

Reducing Costs

When developers are required to pay all fees up front with loans, it creates carrying costs that drive up the price of housing. In recognition of this, the state legislature enacted AB 937 on January 1st of this year, directing that fees be due at final inspection or the date of the certificate of occupancy. However, this did not include all fees and taxes. Consistent with the memorandum by Councilmembers Ortiz, Cohen, Mulcahy, and Casey passed by the Rules and Open Government Committee on February 11, 2026, the City Manager is directed to return to Council with the updated Development Fee Framework regarding the implementation to defer payment for all housing impact fees and taxes to certificate of occupancy.

California has some of the most complex building codes in the entire country. Many of these are for good reason, to ensure the health and safety of residents, especially in the case of natural disaster. However, the costs of construction are also some of the highest in the nation. It is not helpful then for homebuilders to have additional complexity added with local building codes in of the state's 483 municipalities. San José can be fully consistent in building safe and energy efficient housing with the latest state codes without adding our own. To eliminate unnecessary cost and complexity to homebuilding, the City Manager is directed to return to City Council for their consideration of the removal of all local building codes.

Affordable housing is difficult to build under any circumstances, with complex funding requirements and layers of compliance. One strategy San José has used to lower the cost of delivering affordable housing is the exemption from construction taxes. Currently, some projects qualify for the exemption while others must pay local taxes due to the type of government funding they received. Therefore the City Manager is directed to return to the City Council to clarify that the exemption for housing constructed with "government assistance" in the Municipal Code shall include deed-restricted affordable housing constructed with federal, state, or local funding including tax credits, vouchers, loans, or grants. This is intended to apply to projects currently in the pipeline as well as new construction.

It is prohibitively expensive for new construction to proceed in California. According to the California Department of General Services Construction Cost Index, from 2021-2024 the cost of construction has gone up 34.4%, nearly double the consumer price index of 18.9% over that same period. This data is borne out in the City of San José biannual Cost of Residential Development Study, which outlines local homebuilding costs in our market and how we can make projects more feasible.

For example, when we learned that there were no new market rate multifamily housing starts in 2024, this study helped show that reduction in one time fees could make that housing type feasible; which led to the passage of a fee reduction program that produced 2,000 new homes. However, there are other requirements imposed on homebuilding that can significantly impact feasibility. That is why I am working with my colleagues Councilmembers Kamei, Campos, Tordillos, and Cohen to direct a study that will help us better understand other cost factors such as off-site improvements and reach codes.

Homeownership

Homeownership in California has lagged the national average for years and increasingly out of reach for many hardworking families. Only three percent of new home construction in California are the most affordable rung on the homeownership ladder, condominiums. To address that we have been advocating in Sacramento to remove barriers to condo development including costly litigation and allowing homebuyers to invest in new projects. But we cannot wait for the state to take action. To make homeownership more attainable for San José residents, we must increase a type of homebuilding where we are already a leader: Accessory Dwelling Units (ADUs). San José has permitted more ADUs than any other large City in Northern California in the past five years. Since becoming the first City in California to allow the condoization of ADUs, we have an opportunity to help more people buy their first home and start building equity. The City Manager is directed to explore the creation of an ADU Homeownership pilot program prioritizing first time homebuyers, using affordable housing dollars earmarked for homeownership programs. This pilot program should leverage public-private partnership opportunities where possible with banks and foundations interested in furthering equitable homeownership strategies.

Reinvestment With Protection Against Displacement

Much of San José's housing stock was built from the 1940s through the 1980s, constructed under older building codes. This resulted in soft story multifamily housing that is not seismically safe. While much of this housing remains naturally affordable, we need a strategy that creates opportunities to replace these older buildings with newer, safer housing stock, without displacing existing residents. The San José Ellis Act Ordinance (Ellis Act) plays an important role in protecting residents from displacement in these older units, many of them rent stabilized. However, Ellis Act constraints can discourage investment in these older buildings. The City Manager is directed to bring recommendations to update the Ellis Act in a way that incentivizes investment in older housing stock, while protecting against displacement.

Streamlining Historic Review

San José's historic resources are vital to preserving our city's heritage and character, and while we remain committed to their protection, we must also ensure that preservation regulations do not create undue financial burdens for homeowners, renters, and small business owners—particularly in cases where blight or prior renovations have diminished or eliminated visible historic features, yet redevelopment remains cost-prohibitive due to historic designation. When such regulations hinder maintenance, investment, or adaptive reuse of underutilized properties, they become counterproductive; therefore, the City Manager is directed to develop a financially viable framework to allow for the demolition of, or removal from the historic inventory of, substandard structures or those whose historic features are no longer evident. Additionally, recognizing that many historic properties contain decades-old unpermitted construction that current owners may have unknowingly inherited, the City Manager is further directed to explore the creation of an amnesty program for unpermitted work on structures listed in the historic resources inventory, provided the buildings meet applicable health and safety standards. The goal is to establish a reasonable pathway to compliance without imposing disproportionate costs.

Financing Infrastructure for Housing Development and Economic Growth

The focus areas of Growing Our Economy and Building More Housing are deeply intertwined in that they need strong city infrastructure to build upon. For example, challenges in financing housing development are often due to high offsite improvement and public infrastructure costs, hampering the City's efforts to create thriving places to live, work, and play. Councilmember Anthony Tordillos highlighted that cities across California have increasingly leveraged Enhanced Infrastructure Financing Districts (EIFDs) to address these and other infrastructure financing challenges – but San José stands out as the only city with over 500,000 residents that has yet to move forward with an EIFD. Thus, the City has an opportunity to explore a policy mechanism that can help us deliver on our goals of creating jobs and housing close to transit**.** The City Manager is directed to bring to the Council a study session on EIFD's by September 2026 focused on how this mechanism can facilitate investment in jobs, housing and economic revitalization in downtown. The study session should include an overview of EIFD's as authorized in SB 628, how an EIFD could support our focus area goals within Building More Housing and Growing Our Economy, potential revenue and trade-offs associated with issuing

bonds with tax increment financing, and trade-offs of different district configuration, such as multi district configurations. The City Manager is also directed to resource the follow up work for continuing to explore implementing an EIFD.

Planning Capacity

The long range planning and policy work that enables the City to proactively facilitate investment in housing is too little and too volatile. The Planning, Building, and Code Enforcement Department's Citywide Planning program budget for staffing is approximately $6 million. Approximately half of this funding is from the General Fund and half is from revenues collected from the Citywide Planning Fee, a fee intended to support General Plan and Zoning Code updates, as well as proactive, long-range planning efforts to benefit the entire city. However, the significant increase of State-directed planning mandates and a softening of development activity has significantly depleted available capacity from fee revenues to support the innovative planning work originally envisioned. If we want faster approvals and better housing outcomes, the department needs increased and stable capacity. Accordingly, the City Manager is directed to evaluate funding strategies taking into consideration our current development environment and the sensitivity of development projects to existing fee levels, as well as prioritize investing future budget surpluses to bolster citywide planning functions so that we will be better prepared when markets shift.

Other Important Work

Immigration Services

Last year, the City Council voted to allocate $1 million in one-time funding to support immigrant communities – a historic 20x increase in the City's investment. In the first two quarters of the fiscal year, these investments have supported 70 Know-Your-Rights presentations that reached nearly 1,100 residents and small business owners; enabled the Rapid Response Network to respond to more than 3,800 calls; and expanded legal support resulting in 50 immigration petitions. We are supporting immigrant families, including U.S. citizen children and loved ones, during a time of widespread fear and uncertainty.

It is important for this City Council to reaffirm its commitment to being a welcoming and inclusive city, particularly as children, seniors, families, and so many of our neighbors continue to worry about their safety and security. Therefore, the City Manager is directed to work with the County to assess funding gaps, provide one-time funding, if available, and work with the Mayor's Office Director of Strategic Partnerships to raise philanthropic dollars to augment existing efforts.

Animal Care Center

In recent years, the City Council made a series of investments to enhance our Animal Care Center by expanding staff capacity and implementing capital improvements. These investments resulted in shorter average lengths of stays and an increase in operations, but significant challenges remain for the animals in our community and those brought to our Center. Previously, the Animal Care Center provided spay and neuter operations for low income pet owners and community animals. This practice was resumed in December of 2025 and more robust service can play a significant role in managing the population of community animals. The City Manager is directed to explore expanding the spay and neuter operations beyond the existing four-day schedule for unowned animals, with the goal of humanely reducing the population of community cats in San José.

Enhancing Contractual and Grant Oversight

Several key City service areas, such as Homelessness, Youth Services, and Beautification, are delivered through contracts with vendors and service providers. In a difficult budget year focused on optimization, we must ensure that every dollar allocated is producing measurable impact for residents. San José has long maintained strong financial oversight. Our external auditor continuously issues "clean" audits of our financial statements. Our City Auditor also conducts regular performance audits and publishes an Annual City Services Report that incorporates resident feedback and satisfaction data. But we still can improve outcome accountability, particularly for services rendered outside of City Hall. The City Manager is directed to identify the largest areas of grant funding and contracted service delivery, evaluate current monitoring and performance management practices (both inside and outside of City Hall), and strengthen oversight mechanisms, if needed. In a constrained fiscal environment, good stewardship means not only balancing the books, but ensuring measurable value for our community.

Securing Additional Library Funding

San José Public Library is regularly ranked as one of our most trusted services we provide to our residents. As a department primarily supported by the General Fund, their budget tends to fluctuate in line with City's overall surplus or shortfalls. Given the high community reliance on libraries, we should consider an additional dedicated funding stream. The City Manager is directed to explore polling potential ballot measure language that would renew and expand our existing parcel tax supporting the San José Public Library.

Commission Restructuring

San José currently has fifteen commissions to support a variety of workloads. Each Commission requires significant coordination across the subject matter expert department, the City Clerk, and City Council. Historically the structure and number of our commissions are regularly reviewed to ensure each body is able to deliver a significant impact. The City Clerk and City Manager are directed to explore amending the current number, structure, and operation of our various committees in an effort to streamline and reduce the demand on staff capacity.

Prior One-Time Funded Items: If not identified previously, the City Manager is directed to evaluate programs funded on a one-time basis in 2025-2026, in context of the direction included in this message and the Budget Balancing Strategy Guidelines referenced below, for potential continuation in 2026-2027.

Essential Services Reserve: For the 2026-2027 budget cycle the City Manager is directed to set aside $2,000,000 in the Essential Services Reserve. This reserve allows Councilmembers to request one-time funds for critical projects through Budget Documents.

City of San José Budget Principles and Service Delivery Framework: Approval of this message also approves the revised City of San José Budget Principles and reaffirms the Service Delivery Framework that reflect the City Council's existing disciplined and comprehensive approach to budgeting, as described in Appendix A.

Budget Balancing Strategy Guidelines: In addition to the direction described in this memorandum, the City Manager is directed to deploy the Budget Balancing Strategy Guidelines, as described in Appendix B, to guide her approach to crafting a balanced budget in the year ahead.

Budget Stabilization Reserve Framework: To ensure the effective and fiscally appropriate use of one-time resources, the City Manager should be guided by the Budget Stabilization Reserve Framework, as described in Appendix C.

Cost Estimate Request and City Council Budget Document Guidelines: This March Budget Message includes definitions and guidelines for the Cost Estimate Request and Budget Document process to continue to ensure the delivery of meaningful budgetary information for City Council decision-making. These guidelines can be found in Appendix D.

I have coordinated this March Budget Message with the City Manager and City Attorney.

I respectfully request my colleagues' support of this message.

Any questions may be directed to Stephen Caines, the Mayor's Budget Director, at Stephen.Caines@sanjoseca.gov.

APPENDIX A

CITY OF SAN JOSE BUDGET PRINCIPLES
DRAFT REVISIONS

The Mission of the City of San José is to provide quality services, facilities and opportunities that create, sustain and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors. The General Fund Budget shall be constructed to support the Mission.

1) STRUCTURALLY BALANCED BUDGET

The annual budget for the General Fund shall be structurally balanced throughout the budget process – with ongoing revenues that equal or exceed ongoing expenditures in both the Proposed and Adopted Budgets – and the General Fund Proposed Budget balancing plan shall be presented and discussed in context of the five-year forecast. Any significant revision(s) to the Proposed Budget shall include an analysis of the impact on the forecast out years. If a structural imbalance occurs, a plan shall be developed and approved to offset the impact and to bring the budget back into structural balance. The plan to restore balance may include general objectives as opposed to using specific budget proposals in the forecast out years.

2) USE OF ONE-TIME RESOURCES

Once the General Fund budget is brought into structural balance, one-time resources (e.g., revenue spikes, budget savings, sale of property, and similar nonrecurring revenue) shall not be used for current or new ongoing operating expenses. Examples of appropriate uses of one-time resources include rebuilding the Budget Stabilization Reserve, early retirement of debt, capital expenditures without significant operating and maintenance costs, and other nonrecurring expenditures. One-time funding for ongoing operating expenses to maintain valuable existing programs may be approved by a majority vote of the City Council with the acknowledgement of a corresponding structural imbalance that will need to be corrected in the subsequent year.

3) BUDGET REQUESTS

Consideration of new programs or services, or requests for additional staffing shall only take place during the development of the Proposed Budget so as to evaluate potential service expansions within the context of the City's budgetary position and other City Council priorities. Any exception shall include a spending offset at the time of the request – including future year impacts – so that the request has a net-zero effect on the budget. Any request to develop or implement new policies using existing resources shall provide sufficient information for the City Council and staff to understand the required level of effort for implementation and any tradeoffs that may be necessary prior to City Council approval.

Original City Council Approval 03/18/08
Revised XX/XX/26

CITY OF SAN JOSE BUDGET PRINCIPLES
DRAFT REVISIONS

4) RESERVES
All City Funds shall maintain an adequate reserve level and/or ending fund balance as determined annually as appropriate for each fund and/or in accordance with City Council policy. For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, shall be maintained. Any use of the General Fund Contingency Reserve would require a two-thirds vote of approval by the City Council. On an annual basis, specific reserve funds shall be reviewed to determine if they hold greater amounts of funds than are necessary to respond to reasonable calculations of risk. Excess reserve funds may be used for one-time expenses

5) DEBT ISSUANCE
The City shall not issue long-term (over one year) General Fund debt to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

6) EMPLOYEE COMPENSATION
Negotiations for employee compensation shall focus on the cost of total compensation (e.g., salary, step increases, benefit cost increases) while considering the City's budgetary condition, revenue growth, and changes in consumer pricing (cost of living expenses experienced by employees).

7) CAPITAL IMPROVEMENT PROJECTS
Capital Improvement Projects shall be evaluated based on the entire cost of the project, including operations and maintenance, deferred maintenance impacts, and eventual replacement needs, as well as climate related risks and resilience needs. Investments should generally be prioritized to address deferred infrastructure and reduce the existing maintenance backlog above creation of new infrastructure. Postpone the construction or opening of a new site or facility if adequate and sustainable operations and maintenance funding cannot be identified.

8) FEES AND CHARGES
Fees shall be maintained or increased to ensure 100% cost recovery to the extent feasible and in consideration of the equity impacts of underserved communities. Explore opportunities to establish new fees for services where appropriate.

9) GRANTS
City staff shall seek out, apply for and effectively administer federal, State and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. One-time operating grant revenues shall not be used to begin or support the costs of ongoing

programs with the exception of pilot projects to determine their suitability for long-term funding.

10) PERFORMANCE-BASED BUDGETING
All requests for funding shall consider performance data to evaluate efficiency, effectiveness, and outcomes to the community. Performance measures shall be used to inform budget decisions, monitor results, and promote accountability.

11) TRANSPARENCY AND PUBLIC ENGAGEMENT
Promote transparency through clear, accessible budget information and meaningful public engagement, including service level tradeoffs and long-term impacts of budget decisions.

12) GENERAL PLAN
The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

Original City Council Approval 03/18/08
Revised XX/XX/26

Service Delivery Framework



APPENDIX B

2026-2027 Budget Balancing Strategy Guidelines

1. As directed by the priorities identified in the City Council-approved Mayor's March Budget Message, develop a budget that balances the City's delivery of the most essential services to the community with the resources available. Consider current needs in the context of long-term service delivery priorities.
2. Pose explicit questions of equity – including who benefits and who is burdened – when considering changes to City services to achieve a balanced budget.
3. Balance ongoing expenditures with ongoing revenues to maximize service delivery within existing resources, to ensure no negative impact on future budgets, and to maintain the City's high standards of fiscal integrity and financial management. Assume increased revenues from the passage of the Transient Occupancy Tax ballot measure, but also recommend a contingency plan for City Council's approval should the ballot measure fail to ensure that the ongoing shortfall is fully resolved with ongoing solutions.
4. Evaluate program-level budgets to identify opportunities to reduce/eliminate or restructure services that yield cost reductions and allow for the preservation of City Council-approved Focus Areas service levels, critical CSA services and programs, and the City Manager's Foundational Strategic Support Focus Areas, to the extent practicable.
5. Prioritize resources to address truly significant community or organizational risks, critical services funded on a one-time basis in 2025-2026 in the General Fund, and/or respond to specific City Council direction.
6. Review existing vacancies for opportunities to reorganize and realize cost savings or to achieve current service level demands through alternative means. Factor in performance measure data in proposal development.
7. Focus on service optimization and business process redesign to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, reorganizing/realigning functions, and reallocating resources).
8. Explore alternative service delivery models (e.g., partnerships with non-profit, public, or private sector for out- or in-sourcing services) to ensure no service overlap, reduce and/or share costs, and use City resources more efficiently and effectively. Explore mechanisms to improve equity and inclusion within service delivery models.
9. Identify City policy changes that would enable/facilitate service delivery improvements, as well as one-time and ongoing General Fund savings, including changes to the policy governing the use of Measure E revenues.
10. Analyze non-personal/equipment/other costs, including contractual services, for cost savings opportunities. Contracts should be evaluated for their necessity to support City operations and to identify negotiation options to lower costs.
11. Consider delaying the opening of new City facilities as a near term cost reduction strategy.
12. Explore expanding existing revenue sources and/or adding new revenue sources.
13. Establish a fees, charges and rates structure designed to fully recover operating costs, while considering the impacts on fee and rate payers whereby a cost recovery structure may be lower in certain circumstances, and explore opportunities to establish new fees and charges for services, where appropriate.
14. Focus any available one-time resources on investments that 1) continue a very small number of high-priority programs funded on a one-time basis in 2025-2026 for which ongoing funding is not available; 2) address the City's unmet or deferred infrastructure needs; 3) leverage resources to or improve efficiency/effectiveness through technology and equipment or other one-time additions; 4) accelerate the pay down of existing debt obligations where applicable and appropriate; 5) increase budget stabilization reserves to address future budget uncertainty; and/or 6) provide for funding needs for non-bond eligible furniture, fixtures, and equipment associated with the continued implementation of Measure T.

15. Engage employees in department and/or city-wide budget proposal idea development.

16. Continue a community-based budget process where the City's residents and businesses are educated and engaged, as well as have the opportunity to provide feedback regarding the City's annual budget.

APPENDIX C

Budget Stabilization Reserve Framework

Due to continued economic weakness and uncertainty, and the need for one-time resources, the Administration should follow these guiding principles for the use of the Budget Stabilization Reserve during the 2026-2027 Proposed Budget development process:

1. Do not rely on the Budget Stabilization Reserve to address ongoing General Fund shortfalls given that the Reserve is a one-time source of funding;

2. Address one-time urgent, unfunded capital rehabilitation and technology projects at critical City facilities;

3. Ensure sufficient funding remains to address potential shortfalls should the General Fund's budgetary position worsen further in 2025-2026 or 2026-2027, either due to unexpected revenue loss or unforeseen expenditures;

4. Consider limited, targeted investments for critical one-time services/projects or to yield long-term savings or efficiencies; and

5. Phase-in ongoing reductions over a two-year period, as necessary and on a limited basis, to allow for the transition or wind down of the impacted services.

The table below provides potential uses of the Budget Stabilization Reserve that may need to be considered during the 2026-2027 budget development process or during a future budget process.

Potential Uses of the Budget Stabilization Reserve	
	Amount ($ Million)
City Hall Foundation Water Intrusion Project City Hall has been dealing with water intrusion issues for a number of years. Work will need to begin in the next two years to resolve the issue and ensure the building's long term viability.	$45
At-Risk ERAF Funding 20% of the City's Education Revenue Augmentation Funding (ERAF) revenue is at risk on both an ongoing basis in 2025-2026 ($9 - $10 million annually) and a claw back to 2020-2021 ($35 - $39 million) due to an anticipated audit from the State Controller's Office that would challenge the ERAF calculation used by the County of Santa Clara. The County has preemptively filed litigation to dispute the actions taken by the State Controller. There is no timeline for a resolution.	$35
Cardroom Business Tax Potential Loss The California Bureau of Gambling Control recently approved regulations that limit cardroom operations. Industry representatives have warned that these regulations could reduce operating revenues by 85%, which would result in an approximately $25 million loss to the City's General Fund. Due to the uncertainty of timing and precise impact, the Forecast does not yet incorporate Cardroom Business Tax losses; any substantial loss would likely need to be absorbed by the Budget Stabilization Reserve in 2026-2027 and incorporated into future forecasts.	$25
2025-2026 Ending Fund Balance Target Potential Shortfall The City regularly assumes an ongoing ending fund balance of $30 million, comprised of a combination of excess revenue and expenditure savings, which then becomes a funding source for spending the following fiscal year. Due to lower than anticipated revenues in 2025-2026, the City is likely to fall short of its fund balance target on a one-time basis in 2025-2026, and will require an offset from the Budget Stabilization Reserve.	$20
Other Significant Deferred Infrastructure Maintenance/Technology Investments The City faces a number of large-scale capital rehabilitation and technology investment needs that should be addressed in the current and future budget processes.	TBD
Other Critical One-Time Service Delivery Needs A small portion of the Budget Stabilization Reserve could address a very limited amount of one-time needs, especially where one-time investments could lead to future ongoing savings or cost efficiencies.	TBD
Limited Phase-In of Ongoing Reductions Over a Two-Year Period Certain reductions may take more than one year to fully realize the savings; use of the Budget Stabilization Reserve could provide limited bridge funding until those savings are realized in the second year.	TBD
Address Unanticipated Revenue Loss or Expenditure Impacts in 2026-2027 As noted in the Pessimistic Scenario, the City's budgetary condition could substantially worsen from the Base Case; funding should remain available in the Budget Stabilization Reserve to help mitigate potential impacts.	TBD

APPENDIX D

Cost Estimate Request and City Council Budget Document Guidelines

Consistent with prior years, the City Manager's Budget Request also includes guidelines for the process whereby City Councilmembers submit cost estimate requests to the Administration in preparation for their Budget Documents that are ultimately submitted to the Mayor's Office for potential inclusion in the Mayor's June Budget Message. This process is extremely beneficial in focusing the work of the Administration on feasible and implementable programs and services. The Administration recommends that the following definitions and guidelines – which provide definitions and limits to the Cost Estimate Request and Budget Document process to ensure the delivery of meaningful budgetary information for City Council decision-making – again be incorporated into City Council's approval of the Mayor's March Budget Message.

Cost Estimate Request: A request by a Councilmember to the Administration seeking the cost of a new project or program to be performed by the City. The request from the Councilmember should include a clear description of the work to be performed and the anticipated outcomes that identifies how the change would affect services for San José residents, businesses, community groups, etc. Each Councilmember should submit no more than five Cost Estimate Requests.

The request must have a modest scope so that a reliable cost estimate response can be quickly and accurately completed. The anticipated scope should be a small-scale project that the City has delivered in the past, or an extension of a service that already exists that would only require a modest staffing addition on a one-time basis. Recent examples include the installation of targeted neighborhood traffic calming improvements, a radar speed display sign along a neighborhood street, or additional street tree plantings within a City Council District.

Requests that involve complex service delivery and/or large ongoing staffing resources for new programs (e.g., at-home STEM educational programs for children in Title I schools supplemented with free Wi-Fi hotspots), or large capital construction projects that require extensive design (e.g., new streetlight infrastructure, highway overpasses, etc.) are not appropriate for this process.

The request should identify the anticipated funding source to pay for the program (though City staff may suggest alternative funding sources in its response) and indicate if the project/program is a one-time or ongoing effort. To keep the budget structurally balanced, one-time expenditure requests should be offset by one-time funding sources, while ongoing expenditure requests should be offset by ongoing funding sources.

Cost Estimate Response: A response by the Administration to the Councilmember's request that clearly identifies the one-time and ongoing costs, as appropriate, any additional full-time equivalent positions that would be needed, and eligible funding sources. Explanatory notes are provided only if necessary to clarify what is included in the cost estimate response.

Budget Documents: Memoranda issued by a Councilmember to the Mayor recommending adjustments to the City Manager's Proposed Budget. Typically, Budget Documents are based on the information received in a Cost Estimate Request and Response, but they may also recommend targeted funding for community groups whose programs or actions serve the public

interest, but would not be performed by City staff. All Budget Documents that recommend a City-provided service or project must be based on a Cost Estimate Response.

As the Proposed Budget is fully balanced, Budget Documents must also identify the offsetting actions to pay for the recommended adjustment, such as the Essential Services Reserve. For example, if a Budget Document seeks to fund a $50,000 project, then a typical offset would be a $50,000 reduction to the Essential Services Reserve. It is important to note that the Essential Services Reserve is not an ongoing funding source. To pay for any ongoing costs, and to align within City of San José Budget Principles, the Budget Document would also need to identify an ongoing service in the Proposed Budget to defund.

Submittal Dates:

- **Wednesday, May 6:** Deadline for Councilmembers to submit Cost Estimate Requests to the City Manager's Budget Office
- **Friday, May 15:** Cost Estimate Responses returned to Councilmembers
- **Thursday, May 21:** Budget Documents due to Mayor's Office

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Homelessness Budget

2026-2027 Proposed Budget Funding Allocation

Given the substantial impact of homelessness-related expenditures on the City's budget, this appendix provides a comprehensive summary across departments, core services, budget programs, and funding sources.

Homelessness expenditures are allocated from various funding sources and are structured according to the City's organizational framework, which is divided into City Service Areas (CSAs), Core Services, and specific Budget Programs. Each Budget Program is funded by one or more designated funds. Table 1 presents an overview of the major costs associated with homelessness services within the City of San José. It is important to note that indirect costs, such as supporting administrative staff and ancillary expenses, or the impacts of homelessness on City services, are not included here but are absorbed within other departments such as, but not limited to, Environmental Services, Fire, Police, Transportation, and the City Manager's Office.

Table 1: Homelessness Programs Across the Organization

City Service Area	Neighborhood Services		
Department	Housing	Parks, Recreation, and Neighborhood Services	Public Works
Core Service	Homelessness Response	Community Services	Strategic Support – Neighborhood Services
Budget Program	Homeless Administrative Support	Encampment Management	Interim Housing Development and Maintenance
	Homeless Outreach and Engagement		
	Homeless Prevention		
	Homeless Services		
	Interim Housing Construction and Operations		
	Rapid Rehousing		

This section outlines the 2026-2027 Proposed Operating Budget for homelessness expenditures, categorized by high-level spending categories (Table 2), department and budget program (Table 3), and fund and budget program (Table 4), all of which can be found in each department's respective sections within this budget document. Additional insights on homeless expenditures are available in Appendix C: Interim Housing Forecast in the City's latest Five-Year Forecast[1]. Related performance measures can be found within the Housing Department and Parks, Recreation and Neighborhood Services Department sections, and the Neighborhood Services CSA section of the Operating Budget.

[1] https://www.sanjoseca.gov/home/showpublisheddocument/128791/639082898443570000

Homelessness Budget

2026-2027 Proposed Budget Funding Allocation

Table 2: Homelessness Budget by Spending Category

Citywide Homelessness Budget in 2026-2027 Proposed Operating Budget ($ Millions)			
Spending Category	**2024-2025 Actual**	**2025-2026 Adopted**	**2026-2027 Proposed**
Interim Housing / Safe or Alternative Sleeping	77.9	80.8	84.4
Encampment Management	23.5	32.0	26.5
Outreach and Supportive Services	28.3	13.2	10.6
Prevention and Rapid Rehousing	10.2	22.5	15.1
Adminstrative and Programmatic Support	5.7	3.0	2.6
Total	**145.7**	**151.5**	**139.2**
Unallocated or Reserve Funding*	(1.9)	5.6	4.8

*Designated for future year spending; negative amounts due to a difference in timing between the encumbrance of spending obligations and receipt of grant reimbursements.

Table 3: Homelessness Budget by Department and Budget Program

Citywide Homelessness Budget in 2026-2027 Proposed Operating Budget by Department and Budget Program ($ Millions)			
Department and Budget Program	**2024-2025 Actual**	**2025-2026 Adopted**	**2026-2027 Proposed**
Housing Department	**101.6**	**96.9**	**110.4**
Congregate Shelter	1.0	0.0	0.0
Homeless Administrative Support	5.7	3.0	2.6
Homeless Hygiene & Meals	1.7	2.6	0.0
Homeless Outreach and Engagement	26.6	10.4	8.0
Homeless Prevention	5.9	19.0	11.2
Homeless Services	0.0	0.0	2.6
Homeless Supportive Services	2.4	0.2	0.0
Interim Housing Construction and Operations	56.3	58.2	82.1
Rapid Rehousing	1.8	3.5	3.8
Parks, Recreation and Neighborhood Services Department	**23.5**	**32.0**	**26.5**
Encampment Management	23.5	32.0	26.5
Public Works Department	**20.6**	**22.7**	**2.3**
Interim Housing Development and Maintenance	20.6	22.7	2.3
Total	**145.7**	**151.5**	**139.2**
Unallocated or Reserve Funding*	(1.9)	5.6	4.8

*Designated for future year spending; negative amounts due to a difference in timing between the encumbrance of spending obligations and receipt of grant reimbursements.

2026-2027 Proposed Budget Funding Allocation

Table 4: Homelessness Budget by Funding Category, Fund and Budget Program

Citywide Homelessness Budget in 2026-2027 Proposed Operating Budget by Fund and Budget Program ($ Millions)				
Funding Category	**Fund and Budget Program**	**2024-2025 Actual**	**2025-2026 Adopted**	**2026-2027 Proposed**
Local	**Real Property Transfer Tax Fund**	**30.0**	**80.9**	**61.4**
	Congregate Shelter	0.2	0.0	0.0
	Encampment Management	1.4	6.7	0.2
	Homeless Administrative Support	2.2	2.1	1.4
	Homeless Hygiene & Meals	0.4	2.0	0.0
	Homeless Outreach and Engagement	0.7	4.5	3.4
	Homeless Prevention	6.0	6.0	5.2
	Homeless Services	0.5	0.0	2.4
	Homeless Reserves (Homelessness Prevention and Homeless Support Program)	2.5	4.6	1.3
	Interim Housing Construction and Operations	11.3	38.2	45.2
	Interim Housing Development and Maintenance	4.8	13.3	2.3
	Rapid Rehousing (RRH)	0.0	3.5	0.0
Local	**General Fund**	**57.1**	**35.9**	**44.5**
	Congregate Shelter	0.0	0.0	0.0
	Encampment Management	22.2	25.3	26.3
	Homeless Administrative Support	0.4	0.0	0.0
	Homeless Hygiene & Meals	0.0	0.0	0.0
	Homeless Outreach and Engagement	2.1	0.3	0.5
	Homeless Prevention	0.0	0.0	0.2
	Homeless Supportive Services	1.3	0.0	0.0
	Interim Housing Construction and Operations	13.8	0.9	13.8
	Interim Housing Development and Maintenance	17.2	9.4	0.0
	Rapid Rehousing (RRH)	0.0	0.0	3.8
State	**Homeless Housing, Assistance, and Prevention Fund**	**24.0**	**20.2**	**25.8**
	Congregate Shelter	0.8	0.0	0.0
	Homeless Administrative Support	1.1	0.4	0.4
	Homeless Hygiene & Meals	1.3	0.0	0.0
	Homeless Outreach and Engagement	21.6	2.3	3.4
	Homeless Prevention	0.0	3.0	3.0
	Interim Housing Construction and Operations	3.1	13.8	16.1
	Rapid Rehousing (RRH)	0.2	0.0	0.0
	Housing Ending Fund Balance	(4.1)	0.7	2.9
Federal	**Home Investment Partnership Program Fund**	**0.2**	**9.3**	**0.1**
	Homeless Administrative Support	0.2	0.0	0.0
	Homeless Outreach and Engagement	0.0	0.1	0.0
	Homeless Prevention	0.0	9.3	0.1
Federal	**Multi-Source Housing Fund**	**7.2**	**8.8**	**8.8**
	Congregate Shelter	0.1	0.0	0.0
	Homeless Administrative Support	0.4	0.5	0.9
	Homeless Hygiene & Meals	0.0	0.0	0.0
	Homeless Outreach and Engagement	1.7	2.7	0.4
	Homeless Prevention	0.0	0.7	0.7
	Homeless Supportive Services	0.6	0.0	0.0
	Interim Housing Construction and Operations	2.8	0.0	0.0
	Interim Housing Development and Maintenance	0.0	0.0	0.0
	Rapid Rehousing (RRH)	1.5	5.0	0.0

2026-2027 Proposed Budget Funding Allocation

Citywide Homelessness Budget in 2026-2027 Proposed Operating Budget by Fund and Budget Program ($ Millions) Continued				
Funding Category	**Fund and Budget Program**	**2024-2025 Actual**	**2025-2026 Adopted**	**2026-2027 Proposed**
Local	**Low And Moderate Income Housing Asset Fund**	**0.9**	**0.8**	**0.8**
	Homeless Administrative Support	0.8	0.0	0.0
	Homeless Outreach and Engagement	0.0	0.3	0.3
	Homeless Prevention	0.0	0.0	0.0
	Homeless Services	0.0	0.0	0.2
	Homeless Supportive Services	0.0	0.2	0.0
	Interim Housing Construction and Operations	0.0	0.3	0.3
	Interim Housing Development and Maintenance	0.0	0.0	0.0
	Rapid Rehousing (RRH)	0.1	0.0	0.0
Local	**Housing Trust Fund**	**1.0**	**0.8**	**0.1**
	Congregate Shelter	0.0	0.0	0.0
	Homeless Administrative Support	0.6	0.0	0.0
	Homeless Hygiene & Meals	0.0	0.6	0.0
	Homeless Outreach and Engagement	0.4	0.3	0.1
	Homeless Supportive Services	0.0	0.0	0.0
State	**Building Homes and Jobs Act Fund**	**12.6**	**0.3**	**2.6**
	Homeless Administrative Support	0.0	0.0	0.0
	Homeless Prevention	0.0	0.0	2.0
	Interim Housing Construction and Operations	12.9	0.0	0.0
	Housing Ending Fund Balance	(0.3)	0.3	0.6
Local	**Inclusionary Fee Fund**	**8.7**	**0.8**	**0.0**
	Interim Housing Construction and Operations	8.7	0.0	0.0
Local	**Affordable Housing Impact Fee Fund**	**2.0**	**0.8**	**0.0**
	Interim Housing Construction and Operations	2.0	0.0	0.0
Federal	**Community Development Block Grant Fund**	**0.2**	**0.8**	**0.0**
	Interim Housing Construction and Operations	0.2	0.0	0.0
	Total	**143.8**	**157.1**	**144.0**