

FY 2022/23 and FY 2023/24 Biennial Capital Budget Responses to Questions/Comments from the 5/24/22 Budget Study Session

1. With a General Fund Budget Stabilization (BSR) of \$40.4 million, is there approximately two years of funding remaining if we drew down the entire BSR to address the General Fund shortfall?

Response: Staff does not recommend completely depleting this contingency reserve. Doing so would leave the City without the “rainy day” funds to address emergencies, unexpected declines in revenues or other disruptions requiring the need to continue essential operations, leaving the city in an extremely vulnerable position wherein there may not be enough funds to cover expenses. As seen with COVID-19, there can be circumstances beyond our control that materially impact the City’s finances. For context, the BSR can currently cover the budgeted payroll costs in the General Fund for a little more than two months. This depletion of the BSR is likely to also negatively impact the City’s credit ratings which would in turn would increase costs to the City over a longer term.

2. There was interest in establishing a committee to handle resident complaints regarding the stadium, similar to the Neighborhood-University Relations Committee (NURC). What would be the ongoing cost to fund this committee and can it be supported by stadium concert revenues?

Response: The NURC meets three times per academic year. If the new committee focused on stadium issues is structured similarly with 3-4 meetings annually, an existing position could be shifted to support this and other key committees. Support for several committees has been paused due to staffing constraints and work would have to be reprioritized in the City Manager’s Office to reallocate staffing to address this need. If assigned specific to Stadium or event-specific issues, under Measure J, funds from the Stadium Authority, including net-Non-NFL event revenue, would be used to support this committee. The staff costs, including staff from the City Manager’s Office, Police Department, Fire Department and Public Works Department are estimated at \$156,000.

3. Is there a capital project to redo the entrance to Central Park given that the International Swim Center (ISC) is in such disrepair?

Response: The Parks and Recreation Capital Fund includes the Central Park Master Plan – New Entrance, Access and Parking (project 3133) budgeted at \$2.5 million in FY 2021/22. This project includes the installation of the new signalized entrance (on Kiely Blvd. at Kaiser) and drop off area that are necessary to complete safe access to the Magical Bridge All Inclusive Playground, the addition of 25 parking spaces (6 with EV charging stations), and the provision of recycled water to the large CP meadow and adjacent areas.

The aged infrastructure at the ISC is addressed in a separate CIP project titled Central Park Master Plan - Aquatic Center Planning and Design Project. There are two separate parts to this project request: (a) a comprehensive forensic building evaluation of the existing ISC in its current location that includes architectural, structural, mechanical, electrical, plumbing, etc., as well as current budget estimates and schedule for completion of any study recommended work; and (b) the initial public outreach and schematic design for a new 50 meter (deep/shallow) pool per the Central Park Master Plan. This two-part strategy is recommended due to the likely continued failure, potential risks and permanent closure of the existing aged ISC infrastructure, and the need for construction of at least one replacement pool to accommodate aquatic programs during temporary or permanent closure(s). These two parts will likely require additional funding and should be considered placeholder estimates to begin the study process. The Unfunded Projects in the Proposed Budget includes the unfunded portion of this project estimated at \$2.1 million.

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For additional clarity, the Central Park Master Plan calls for relocation of the ISC pools to the Kiely side of Central Park through a two-phase design and construction process: initial phase is design and construction of one 50 meter pool and mechanical along with 80% plans for a full aquatic center, followed by a second phase design and construction of 50 meter pool and instructional/community water, dependent upon funding. This plan has been discussed with and has the support of the Santa Clara Swim Club.

4. Council identified several capital priorities and there was interest expressed in continuing to pursue a bond measure or potentially a more targeted bond measure (e.g., fire facilities focused, swim center focused)
 - Replacement of Fire Station 5 and need Fire training tower
 - International swim center and pools
 - Central Park lawn bowl
 - Expand community center at Central Park

Response: A bond measure requires two-thirds voter approval. The City polling on potential bond measures has not yet met the two-thirds threshold. Given the City's significant unfunded capital needs, staff will return in early 2023 to seek Council direction and funding to support a community outreach and engagement process to develop priorities for an infrastructure bond in 2024. While a targeted bond measure could be brought forward to address specific amenities, additional community outreach and polling would be necessary to determine whether there is sufficient community support in those areas that would meet the two-thirds threshold for passage.

5. There was a suggestion to potentially add a Youth Activities Commission or explore other options to partner with other organizations/obtain sponsorships to help address needs and deliver services.

Response: As background, the City has a Youth Commission, Parks & Recreation Commission, Senior Advisory Commission, and Cultural Commission supported by the Parks & Recreation Department. In addition to regular monthly Commission feedback on funded and staffed programs and community services, the Commissions provide monthly reports on their existing and proposed goals, priorities and activities through the Commission minutes. In addition, the Parks & Recreation Department regularly conducts community and neighborhood surveys and reports to Council on those plans. The Central Park master plan also indicates an expanded community recreation center (CRC) to provide facilities for such City programs and services. With respect to recreation program vendors and partnerships, the Department contracts with or establishes Memoranda of Understanding (MOU) with many service providers for special programs and services depending upon the community need and expertise. Partnering with outside organizations is part of how we do business. If additional effort is desired, staff resources would be necessary to support this targeted effort and those resources would be determined based on the scope of that work.

6. A member of the public inquired whether any traffic lights were planned for the Cabrillo and San Tomas intersection and the Cabrillo and Scott intersection and/or whether any traffic calming efforts were planned given the accidents in that area.

Response: Staff is currently studying Cabrillo Avenue between Scott Boulevard and Los Padres Avenue for potential traffic calming improvements as well as intersection improvements at Cabrillo

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Avenue and Scott Boulevard including the potential for a signal. Staff anticipates finalizing these studies by the July/August timeframe.

The intersection of San Tomas Expressway and Cabrillo Avenue is within the County of Santa Clara's jurisdiction and has an existing signal. Staff has reached out to the County to determine if any improvements are planned for this intersection.

7. Council expressed an interest in restoring the Drug Abuse Resistance Education (D.A.R.E.) Program in the Police Department.

Response: The School Services Unit within the Police Department is responsible for the D.A.R.E. program as well as other programs serving the schools and is assigned three Police Officers. The School Service Unit and the D.A.R.E. program were not reduced or eliminated by the City Council as part of the budget process. The D.A.R.E. program was suspended during COVID and because of other higher priority needs (e.g., patrol and mental health-related responses). Because of recruitment and retention issues, the positions assigned to the D.A.R.E. program remain unfilled. In January 2022, the Police Department launched a 6-month focused hiring initiative that has already resulted in eight new employees hired with 12 additional new hires coming as of the end of June. The Police Department currently has eight Police Officer vacancies and three Police Officers in training that are anticipated to be street ready by September.

8. Several one-time and ongoing funding requests to add or restore services. The remaining balance of \$325,000 from the Council Initiatives allocation was identified as a potential funding source.

Response: Below are the estimated costs of the items requested:

Item	One-Time Cost	Ongoing Cost
Transportation Demand Management The Request for Proposals (RFP) for a third-party consultant to support online reporting and tracking of TDM measures and present a template to complete the forms closes on June 14 th . The initial cost estimate will cover the design of the process (estimated cost of \$100,000 - \$200,000) and would be funded by the General Fund. This cost estimate does not include additional staff time that may be required. Going forward there will be an annual fee for projects to have a TDM review. This fee would likely be collected each year when the property owner submits their annual TDM report to the City and pay for the costs of a consultant review of that report. Other costs may be added depending upon the design of the program. Determining these costs and associated fees will be part of the initial consultant work program.	\$0.2 M	Fee Supported
El Camino Real Specific Plan At the Budget Study Session, Council discussed adding \$1.0 million from Land Sale Reserve to support the El Camino Real planning efforts (new specific plan and new EIR). Staff has also presented several options at the Budget Study Session including the revision to the specific plan to reduce density but still consistent with the EIR, moving forward with rezoning and a roadway plan only, or taking no action. The alternatives	\$1.0 M	

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Item	One-Time Cost	Ongoing Cost
are intended to provide less expensive (e.g., less than \$100,000) approaches to achieving as many of the City Council's goals as possible.		
Homeless Task Force Recommendations Implementation Council requested funding to implement measures identified by the task force and to extend the funding to support existing services, such as mobile showers. Per prior City Council action, the City is currently contracting with WeHope to provide mobile shower, mobile laundry and accompanying case management through an Agreement that extends through February 28, 2023 and which is funded with \$55,000 from the Housing Authority Fund. A future budget appropriation would be necessary to continue the service beyond February 2023. Staff will evaluate the best service model and funding source and bring those forward in the future for Council consideration. The Task Force will likely make a number of recommendations and it is not yet known the estimated costs associated with those recommendations.	TBD	TBD
Police Restorations There are six frozen sworn positions: 1.0 Sergeant assigned to the Drone Program; 1.0 Sergeant assigned to the Task Force Unit; and 4.0 Officers from the Field Training Officer (FTO) program. These officers would be allocated to the following programs: 1) School Services Unit – 1.0 School Resource Officer; 2) Task Force Unit – 3.0 Officers supporting the Santa Clara County Specialized Enforcement Team, the California Public Safety Realignment Act, and the Regional Computer Forensics Lab.		\$1.6 M
Downtown Task Force/Precise Plan for Downtown The Downtown Community Task Force recommended that the City Council prioritize and fund a Civic Center relocation study. At the May 24 th City Council meeting (Item 8. RTC 22-667), there was discussion about studying the potential move of City Hall to Downtown. The estimated cost for conceptual land use and economic analysis is \$334,000. Potential funding sources include Land Sale Reserve or Advanced Planning Reserve funds.	\$0.3 M	
Total	\$1.5 M	\$1.6 M

It is important to note that the use of reserves to address any of these needs would limit the availability of these funds to address the projected \$19.6 million General Fund shortfall in the next Biennial Operating Budget. The addition of ongoing items would result in an increase to the shortfall and the need for additional budget reductions. For instance, the addition of \$1.6 million in ongoing costs would equate to the reduction of approximately 10 non-sworn positions and associated services.