

## **Responses to Questions from the May 7, 2019 Study Session**

### **Councilmember Chahal**

**Question:** Page 41 - Why the decline in Sales Tax from FY 2019/20 to FY 2020/21.

**Response:** We use a third-party consultant to estimate Sales Tax. The decline in the assumption for Sales Tax includes a modest slowdown/recession. The consultant evaluated the last four slowdown periods and provided a reduced level of expected revenues as a result. There is also a large tax generating business that is expected to relocate from Santa Clara.

**Question:** Page 41 – Why the change in revenue for Developer Contributions?

**Response:** This line item pertains to CIP projects in the Electric Utility Program. We budget certain capital revenues based on the estimated project expenditures in the respective fiscal year. This is a practice we are looking to change in the next budget cycle.

**Request:** Add columns for dollar and % changes in the budget summary

**Response:** We will provide this for the Adopted Budget document.

**Question:** Page 48 – Why are we using \$54 million in reserves in FY 2020/21?

**Response:** This is a net presentation of revenues and expenditures. Due to the timing of large capital projects, we have higher net expenditures than net revenues in FY 2020/21. In FY 2019/20, we had contributions to reserves because we are assuming a large bond issuance in the Sewer Capital Program.

**Question:** Page 57 – Why is the Traffic Mitigation Capital Fund going from over \$2 million to zero?

**Response:** This has been reclassified to a Special Revenue Fund and appears on Page 55. The revenues follow project expenditures. This is a practice we are looking to change in the next budget cycle.

**Request:** Please provide statistics on salaries and benefits costs in the General Fund in comparison to other cities.

**Response:** The table below shows General Fund Salaries and Benefits as a percentage of General Fund Revenues or Expenses.

	<b>FY 2018/19 Adopted General Fund Revenues</b>	<b>FY 2018/19 Adopted General Fund Expenses</b>	<b>FY 2018/19 Adopted General Fund Total Compensation</b>	<b>General Fund Total Compensation as % of Revenues</b>	<b>General Fund Total Compensation as % of Expenses</b>
San Leandro*	\$ 111,699,755	\$ 115,100,922	\$ 54,995,197	49.2%	47.8%
Hayward	\$ 159,748,000	\$ 162,790,000	\$ 125,519,000	78.6%	77.1%
San Jose	\$ 1,091,154,378	\$ 1,373,674,973	\$ 873,418,962	80.0%	63.6%
Fremont	\$ 204,955,000	\$ 205,667,000	\$ 152,597,211	74.5%	74.2%
Mountain View	\$ 137,682,000	\$ 124,939,000	\$ 100,817,000	73.2%	80.7%
Campbell*	\$ 53,783,228	\$ 53,692,156	\$ 31,504,191	58.6%	58.7%
Sunnyvale	\$ 214,938,645	\$ 242,347,777	\$ 128,068,754	59.6%	52.8%
Cupertino^	\$ 76,888,476	\$ 77,639,720	\$ 27,408,962	35.6%	35.3%
Milpitas	\$ 98,284,507	\$ 101,108,797	\$ 82,332,909	83.8%	81.4%
Santa Clara	\$ 238,218,220	\$ 272,610,243	\$ 187,058,576	78.5%	68.6%
Palo Alto	\$ 214,497,000	\$ 210,706,000	\$ 125,452,000	58.5%	59.5%
<i>except Santa Clara, Amended FY 2018/19 per FY 2019/20</i>					
<i>* contracted Fire services</i>					
<i>^contacted all Public Safety services</i>					

**Question:** Electric \$12.5 million budget for Public Benefits – What is this used for?

Response: This funding is used on programs designed to reduce greenhouse gases including rebate programs a low-income programs. We will provide more information separately on the use of this program.

**Councilmember Hardy**

Question: Where is the senior and youth fee for the stadium budgeted?

Response: A total of \$230,000 is projected. These revenues are received in the General Fund in the Non-Departmental section of the budget as detailed on page 95 as part of Lease Revenue and on page 495 as part of the Stadium Budget. These revenues are collected and used to support Parks and Recreation senior and youth programs.

**Councilmember Davis**

Question: Regarding the \$15 million from sale of Great America, can we allocate to the land reserve?

Response: With a majority vote of the Mayor and City Council, these funds could be allocated to the land reserve. They are currently proposed to be included in the Budget Stabilization Reserve to maintain the highest flexibility in the event it is needed for a future economic slowdown.

**Councilmember Watanabe**

Question: Regarding internet sales tax, do we have an idea when we will start receiving?

Response: We started receiving revenue in April 2019. We contract with a third-party consultant to review and evaluate sales tax projections including internet sales tax. We are anticipating approximately \$1.0-1.2 million annually, however, as this is a new revenue stream, actual collections may vary. Any future revisions will be brought forward for Council consideration, if necessary.

Question: What kind of replacement fire engine are we purchasing?

Response: We are purchasing a standard reserve fire engine, similar to those in our current fleet. The current reserve fire engine is over 15 years old and the replacement will increase the reliability of our reserve fleet.

Question: Do we know what the reserves are for FY 2019/20?

Response: We will bring forward actual reserve balance recommendations in the October/November 2019 timeframe as part of the year-end budget report.

Question: The \$900k for the Fairway Glen restroom, does this include the full cost?

Response: This includes funding for design and construction. The actual cost will vary depending on the location and cost to connect utilities.

Question: If the City sees a department is under budget and projects come up and funding is needed, how is funding appropriated? Will it come from reserves or the department's anticipated savings?

Response: Funding can come from reserves or other departments/projects that have savings. Adjustments would be brought forward as part of the Monthly Financial Report or off-cycle in the next budget process similar to how capital budget changes are included in this proposed budget.

**Councilmember Mahan**

Question: Is it possible to transfer money from the Budget Stabilization Reserve to the Land Sale Reserve at a different point in time?

Response: Yes, both reserves are unrestricted and can be reallocated by City Council majority vote.

**Councilmember O'Neill**

Question: What was the thought process in establishing budgeted funds?

Response: We now have all funds budgeted. In an effort to increase transparency and show funds previously unbudgeted, the budget now includes any fund where we collect revenue and incur expenses.

Question: Will there be surplus funds at year-end?

Response: There will likely be additional funds at year-end. These funds, however, will likely be from one-time sources (eg. vacancy savings, land sales).

Question: Can land sale reserve funds be moved since they are unrestricted?

Response: Yes, by City Council majority vote.

### **Mayor Gillmor**

Question: Regarding the summary of budgeted positions, why are we not adding positions in Police and Fire? Especially, with developments coming online and retirements in Police and Fire?

Response: The positions summarized are budgeted positions that include vacancies. A summary of current vacant positions is attached. Scheduled Police and Fire academies will be conducted to fill vacant sworn positions. In addition, there is limited funding available to add new Police and Fire positions. When development comes online, we will need to further evaluate or negotiate the increased resource needs as a result of development.

Question: Regarding Transient Occupancy Tax (TOT) revenues, do we assumed that hotels under construction are included in the revenue?

Response: We include the addition of one hotel in FY 2019/20. Subsequent to the release of the budget Councilmember Watanabe informed us that a second hotel is almost complete. As TOT is a volatile revenue source, this additional hotel will provide revenues that will help to buffer any downturn in revenues from a drop in room rates or occupancy rates. TOT revenues will be monitored closely and any revision, if necessary, will be brought forward in the future for Council consideration.

### **Public Questions/Comments**

Comment: We should clearly state in the budget that the 25% of the new Deputy City Manager for Stadium Oversight working on non-stadium activities, we should clearly state in the budget.

Response: We will be sure to include this clarification in the Adopted Budget

Comment: Community will benefit from request to add hours at the Mission Library.

Response: The budget includes resources to add Sunday hours and expanded weekday hours at Mission Branch Library

Comment: Regarding the Municipal Fee Schedule, a request was made to make library rooms and senior center cheaper to non-profit organizations.

Response: We will incorporate waivers for non-profit organizations and bring this forward as part of the City's Municipal Fee Schedule.

## Total Vacancies by Department

<b>Department</b>	<b>Vacancies as of 05/06/2019</b>
City Clerk	-
City Council	1.00
City Manager	-
Community Development	8.00
Electric Utility Department	27.00
Finance Department	2.00
Fire Department	6.75
Human Resources	1.00
Information Technology	2.00
Library	2.00
Parks & Recreation	4.75
Police Department	18.00
Public Works	12.00
Water & Sewer	14.00
<b>Total Vacancies</b>	<b>98.50</b>

## Detailed Total Vacancies by Department

### City Council

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Executive Assistant to Mayor & CC	General Fund	1.00	4/13/2019	1485
<b>City Council Total</b>		<b>1.00</b>		

### Community Development

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Assistant Building Official	General Fund	1.00	10/6/2018	1227
Associate Planner	General Fund	1.00	6/29/2018	1771
Code Enforcement Officer	General Fund	1.00	10/7/2018	1658
Combination Inspector	General Fund	1.00	2/9/2018	253
Inspection Manager	General Fund	1.00	6/3/2018	1517
Plans Examiner	General Fund	1.00	12/16/2018	1701
Plans Examiner	General Fund	1.00	2/21/2018	1729
Sr Permit Technician	General Fund	1.00	9/29/2018	257
<b>Community Development Total</b>		<b>8.00</b>		

### Electric Utility

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Assistant Dir Of Electric Util	Electric Utility	1.00	12/4/2018	1845
Asst Dir Elec-Energy Distrib	Electric Utility	1.00	12/16/2018	1247
Chief Electric Utility Officer	Electric Utility	1.00	12/29/2018	814
Database Administrator	Electric Utility	1.00	7/1/2017	1826
Electric Division Manager	Electric Utility	1.00	7/29/2018	822
Electric Program Manager	Electric Utility	1.00	2/24/2019	1754
Electric Utility Engineer	Electric Utility	1.00	7/1/2018	1836
Electric Utility Prog Analyst	Electric Utility	1.00	5/7/2017	1738
Engineering Aide	Elec Operating Grant Trust Fund	1.00	10/21/2018	1689
Engineering Aide - Fiber	Electric Utility	1.00	2/24/2019	1715
Engineering Aide (Electric)	Electric Utility	1.00	12/17/2017	928
Journey Lineworker	Electric Utility	1.00	7/15/2018	889
Journey Lineworker	Electric Utility	1.00	3/27/2016	1416
Meter Data Analyst	Electric Utility	1.00	7/1/2018	1832
Power System Scheduler/Trader	Electric Utility	1.00	10/21/2018	851
Principal Electric Utility Eng	Electric Utility	1.00	12/31/2017	1250
Project Manager	Electric Utility	1.00	4/3/2019	1692
Resource Analyst II	Electric Utility	1.00	11/4/2018	1736
Sr Elec Div Mgr	Electric Utility	1.00	6/2/2018	1634
Sr Elec Util Eng	Electric Utility	1.00	7/7/2018	836
Sr Elec Util Eng/Control-Comm	Electric Utility	1.00	9/9/2018	1251
Sr Elec Util Eng/Opr Planning	Electric Utility	1.00	1/27/2019	1747
Sr Electrical Estimator	Electric Utility	1.00	9/29/2018	1553
Sr Electrician Technician	Electric Utility	1.00	7/31/2016	862
Sr Engineering Aide	Electric Utility	1.00	11/4/2018	1764
Underground Crew Leader	Electric Utility	1.00	7/31/2016	869
Utility Electrician Technician	Electric Utility	1.00	7/31/2016	<sup>5</sup> 861

---

---

Electric Utility Department Total	27.00
-----------------------------------	-------

---

---

### Finance Department

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Meter Reader	General Fund	1.00	3/22/2019	105
Office Records Specialist <sup>1</sup>	General Fund	1.00	9/23/2018	1592
Finance Department Total		2.00		

<sup>1</sup>Position from City Clerk's Office was reallocated to the Finance Department to support the newly established Audit Program (RTC 18-1298; 12/4/2018).

### Fire Department

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Assistant Training Officer	General Fund	1.00	3/24/2019	1246
Deputy Fire Marshal I	General Fund	1.00	3/9/2019	618
Deputy Fire Marshal III	General Fund	1.00	1/25/2019	617
Driver/Eng 24 Hrs	General Fund	1.00	12/17/2018	674
Fire Captain 24 Hrs	General Fund	1.00	12/21/2018	643
Firefighter II 24 Hrs	General Fund	1.00	2/10/2019	736
Quality Improvement Nurse	General Fund	0.75	7/1/2018	1833
Fire Department Total		6.75		

### Human Resources

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Human Resources Div Mgr	General Fund	1.00	7/28/2018	1317
Human Resources Department Total		1.00		

### Information Technology

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Information Technology Svc Mgr	General Fund	1.00	5/20/2018	1335
Information Technology Svc Mgr	General Fund	1.00	4/12/2016	1492
Information Technology Department Total		2.00		

### Library Department

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Business Analyst	General Fund	1.00	3/24/2019	1614
Librarian II	General Fund	1.00	4/6/2019	1649
Library Total		2.00		

### Parks & Recreation

Position Title	Funding Source	FTE	Vacancy Date	Position Number
Grounds Maint Worker II	General Fund	1.00	10/7/2018	163
Grounds Maint Worker I	General Fund	1.00	3/10/2019	6 184

Grounds Maint Worker I	General Fund	1.00	3/10/2019	189
Grounds Maint Worker II	General Fund	1.00	4/7/2019	167
Recreation Coordinator	General Fund	0.75	7/15/2018	1812
<b>Parks &amp; Recreation Total</b>		<b>4.75</b>		

### **Police Department**

<b>Position Title</b>	<b>Funding Source</b>	<b>FTE</b>	<b>Vacancy Date</b>	<b>Position Number</b>
Community Svc Officer II	General Fund	1.00	12/28/2018	1353
Office Specialist III	General Fund	1.00	4/6/2019	1590
Police Captain	General Fund	1.00	12/8/2018	421
Police Officer	General Fund	1.00	4/4/2019	478
Police Officer	General Fund	1.00	3/10/2019	486
Police Officer	General Fund	1.00	3/10/2019	513
Police Officer	General Fund	1.00	2/22/2019	522
Police Records Spec II	General Fund	1.00	5/26/2018	1259
Police Records Spec II	General Fund	1.00	8/31/2018	1260
Police Records Spec II	General Fund	1.00	3/10/2019	1275
Police Records Spec II	General Fund	1.00	1/10/2019	1542
Police Sergeant	General Fund	1.00	3/10/2019	436
Police Sergeant	General Fund	1.00	3/10/2019	451
Public Safety Dispatcher II	General Fund	1.00	10/29/2018	799
Public Safety Dispatcher II	General Fund	1.00	3/23/2019	802
Public Safety Dispatcher II	General Fund	1.00	9/23/2018	807
Sr.Public Safety Dispatcher	General Fund	1.00	3/23/2019	793
Staff Aide I	General Fund	1.00	10/22/2017	1175
<b>Police Department Total</b>		<b>18.00</b>		

### **Public Works Department**

<b>Position Title</b>	<b>Funding Source</b>	<b>FTE</b>	<b>Vacancy Date</b>	<b>Position Number</b>
Associate Engineer (Civil)	General Fund	1.00	6/10/2017	393
Associate Engineer (Civil)	General Fund	1.00	9/19/2017	1791
Associate Engineer (Civil)	General Fund	1.00	7/1/2018	1819
Automotive Technician I	Fleet Management	1.00	4/12/2019	1179
Building Maint Worker	General Fund	1.00	12/29/2018	347
Compliance Manager	Fleet Management	1.00	2/16/2019	1535
Office Specialist II	General Fund	1.00	4/7/2019	1534
Office Specialist II	General Fund	1.00	12/2/2018	1558
Office Specialist III	General Fund/Fleet Management/Solid	1.00	4/7/2019	1588
Street Maintenance Worker II	General Fund	1.00	3/23/2019	1444
Street Maint Worker III	General Fund	1.00	10/21/2018	1454
Tree Trimmer II	General Fund	1.00	2/7/2019	290
<b>Public Works Department Total</b>		<b>12.00</b>		

### **Water & Sewer Department**

<b>Position Title</b>	<b>Funding Source</b>	<b>FTE</b>	<b>Vacancy Date</b>	<b>Position Number</b>
Code Enforcement Officer	Sewer Utility	1.00	3/12/2017	1743
Facilities Technician	Water Utility	1.00	9/28/2018	1386
Office Records Specialist	Sewer Utility	1.00	12/29/2018	983
Principal Engineer	Sewer Utility	1.00	4/7/2019	1094

Sr Water & Sewer System Operat	Sewer Utility	0.50	7/1/2016	1849
Sr Water & Sewer System Operat	Water Utility	0.50	7/1/2016	1849
Sr Water Utility Engineer	Water Recycling Program	1.00	2/10/2019	1130
Utility Crew Supervisor	Water Utility	1.00	12/15/2018	947
Water & Sewer Operations Mgr	Sewer Utility	0.35	8/31/2018	937
Water & Sewer Operations Mgr	Water Utility	0.65	8/31/2018	937
Water & Sewer System Operator	Sewer Utility	0.50	3/12/2017	1741
Water & Sewer System Operator	Water Utility	0.50	3/12/2017	1741
Water & Sewer System Operator	Sewer Utility	0.50	3/12/2017	1742
Water & Sewer System Operator	Water Utility	0.50	3/12/2017	1742
Water Service Technician II	Water Utility	1.00	1/30/2019	1396
Water/Sewer Maint Worker II	Sewer Utility	1.00	12/28/2018	984
Water/Sewer Maint Worker II	Water Utility	1.00	8/26/2018	1198
Water/Sewer Maint Worker II	Water Utility	1.00	8/26/2018	1303
<b>Water &amp; Sewer Department Total</b>		<b>14.00</b>		

<b>Total Vacancies</b>	<b>98.50</b>
------------------------	--------------