

San Jose budget: Mayor, council should stick to essentials

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For the first time in years, San Jose is now projecting a budget surplus for the 2015-16 fiscal year. Citizens for Fiscal Responsibility believes that San Jose should allocate these "extra" taxpayer dollars to essential city services such as improving public safety and repairing crumbling roadways, and to fulfilling our staggering long-term financial obligations.

Our organization reviewed Mayor Sam Liccardo's recent budget message from the perspective that San Jose should focus on:

- Identifying key services considered essential by the majority of San Jose residents and businesses.
- Dedicating funds to improving those services.
- Decreasing or eliminating funding for nonessential services until all essential services are fully funded, based on national performance measures.
- Driving cost savings through consolidation, reorganization and outsourcing.
- Ensuring that San Jose can fulfill its long-term financial obligations.

We support many of the priorities outlined in the budget message.

Liccardo's proposal to focus on business process redesign is laudable and necessary for improving employee productivity, allowing our city to provide more services with the same level of resources.

We previously recommended that San Jose resurrect the employee suggestion program, which should reward employees generously if the suggestions create significant savings, and are glad to see that recommendation in the mayor's message.

We believe that a program-based budgeting initiative is a good way to increase the transparency of the city's financials. We hope program-based budgeting is the first step toward implementing zero-based budgeting, which we have long believed is essential for fiscally responsible governments.

Some other proposals, while on the surface reasonable and/or compassionate, deviate from the focus of providing essential services that our residents deserve and safeguarding the ability to fulfill our long-term obligations.

Education, Internet access, immigration support, participatory budgeting, supporting the arts and addressing our homeless situation are all commendable pursuits. In many cases responsibility for such initiatives fall under the purview of other government entities, such as Santa Clara County or local school districts. We believe San Jose should defer to those organizations until we secure the city's financial future and maintain "a laserlike focus on providing the essential services that are actually listed in the city charter," as Councilman Pierluigi Oliverio suggested in his March 31 letter to the editor.

As for this year's "extra" tax dollars, we believe a responsible proposal would be as follows:

- Allocate half to funding additional public safety measures, either through increased staffing or by purchasing needed equipment and/or technology upgrades. This will benefit all residents of San Jose.
- Place one-quarter in the essential services reserve. This will help San Jose maintain service levels through the inevitable ups and downs of business cycles.
- Use the remainder for a down payment on San Jose's unfunded pension and retiree health care obligation. Like it or not, San Jose is legally bound to fulfill the promises made in the past.

Our proposal accomplishes three critical objectives. It accelerates the restoration of essential services. It establishes a reserve that can help sustain those services during economic downturns. Finally, it addresses the long-term commitments of our city.

San Jose has over \$12 billion in long-term obligations, including outstanding debt, unfunded pension and health care liabilities, and deferred maintenance of our roads and waste treatment facility.

Citizens for Fiscal Responsibility would like to see explicit action to solidify our city's ability to fulfill these obligations. Our recommendations represent a significant first step in doing so; we encourage the mayor and City Council to adopt them.

Pat Waite is president of Citizens for Fiscal Responsibility (www.cfr-sj.org) and Dave Fadness is a founding member. Both live in San Jose. They wrote this for this newspaper.

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