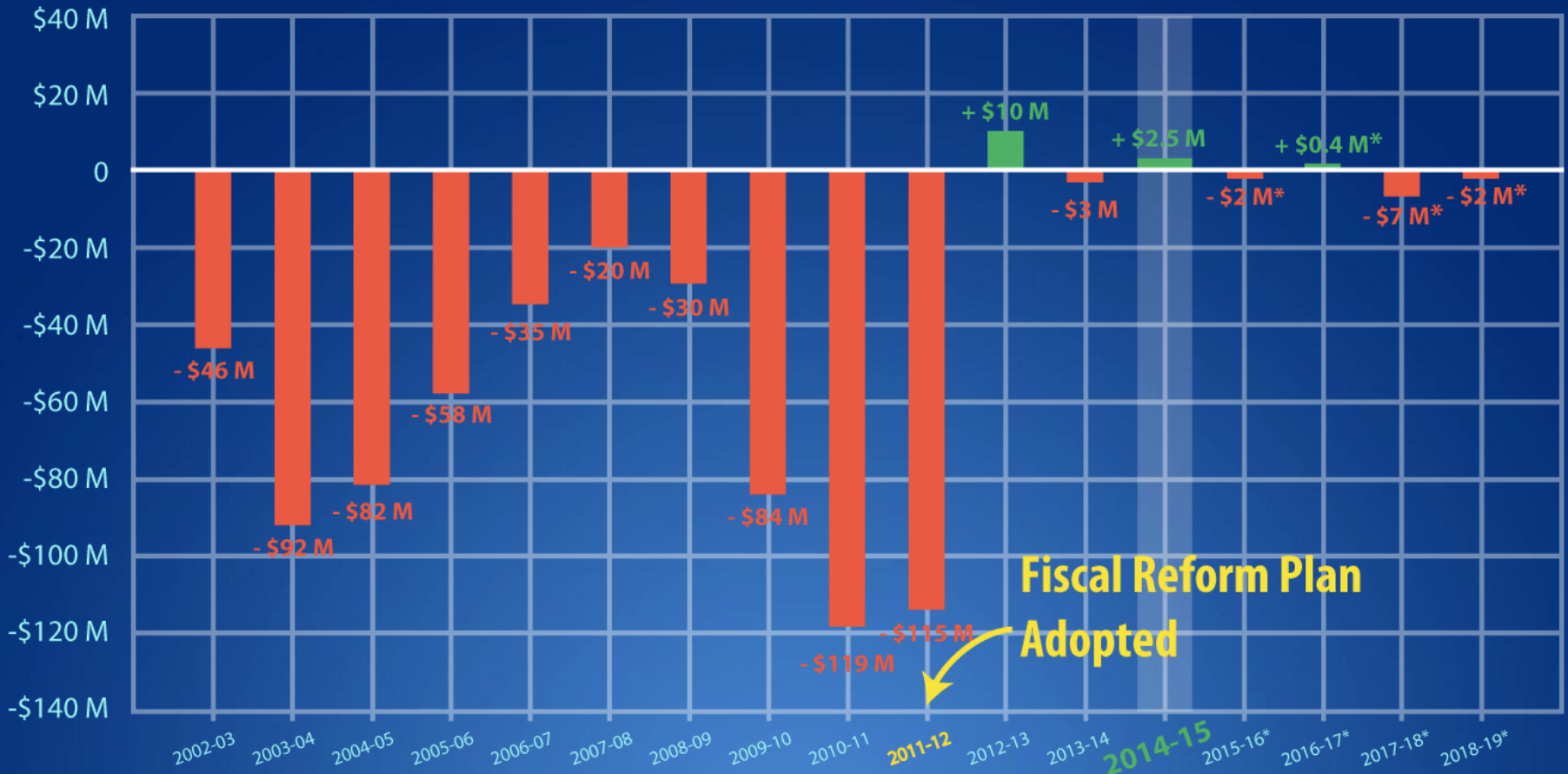


San Jose General Fund Deficits



Sources: For FY 2002-03 through FY 2013-14: "9/3/2013 Presentation - City Council Study Session: City Service Restoration and Revenue Measures"

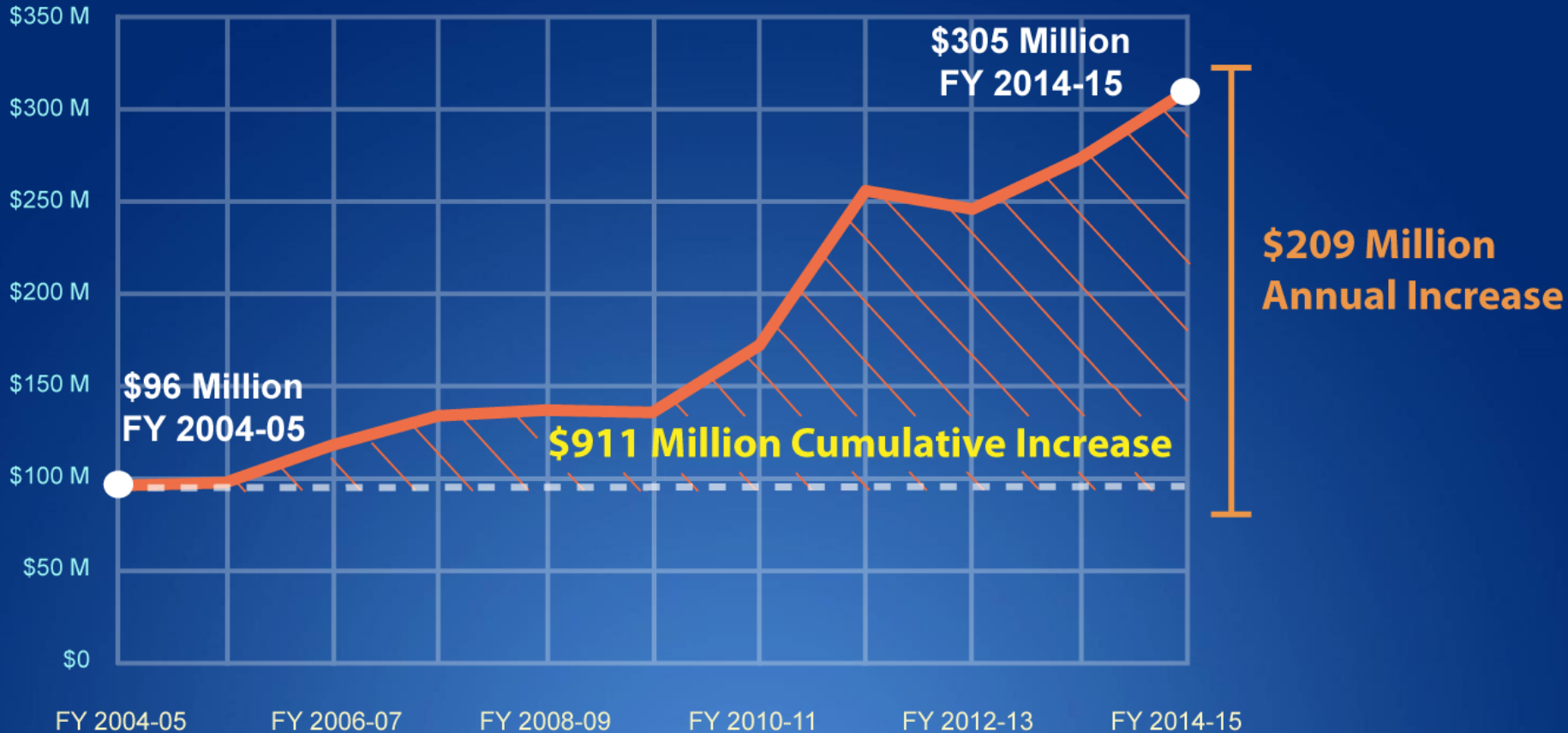
Note: FY 2003-04 and FY 2004-05 includes State impact of \$10.8 million in FY 2003-04 and \$11.4 million in FY 2004-05

* FY 2015-16 projection updated in June 2014 per the adopted FY 2014-15 Operating Budget; FY 2016-17 through FY 2018-19 based on the 2015-19 Five-Year Forecast released in February 2014



Office of Mayor Chuck Reed

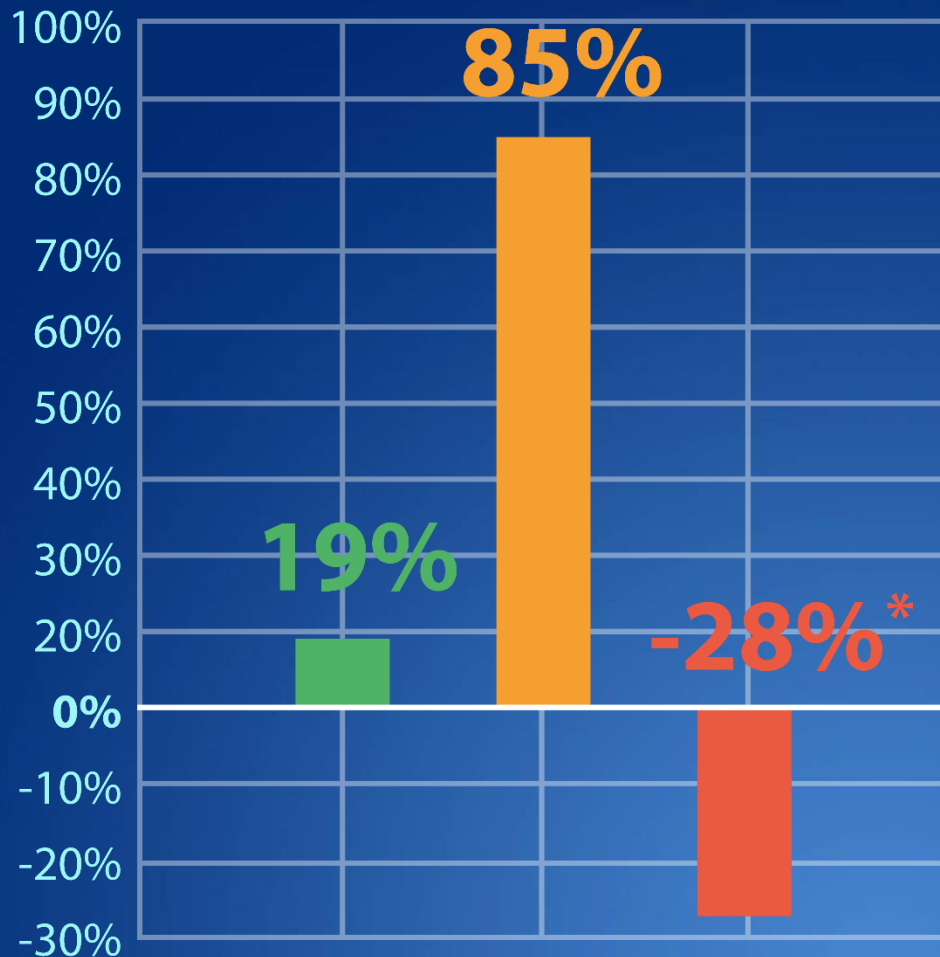
The Crushing Burden of Retirement Cost Increases



Sources: FY 2003-04 through FY 2011-12, Retirement Systems Comprehensive Annual Financial Reports; FY 2012-13, Modified Budget (as listed in 2013-14 General Fund Forecast); FY 2013-14, Adopted Budget with Annual Report Adjustment; FY 2014-15 Adopted Budget with Annual Report Adjustment.

* Figures note the employer's (the City's) share of retirement contributions. These costs do not include employees' contributions.

10 Years of Budget Deficits – How Did We Get Here?



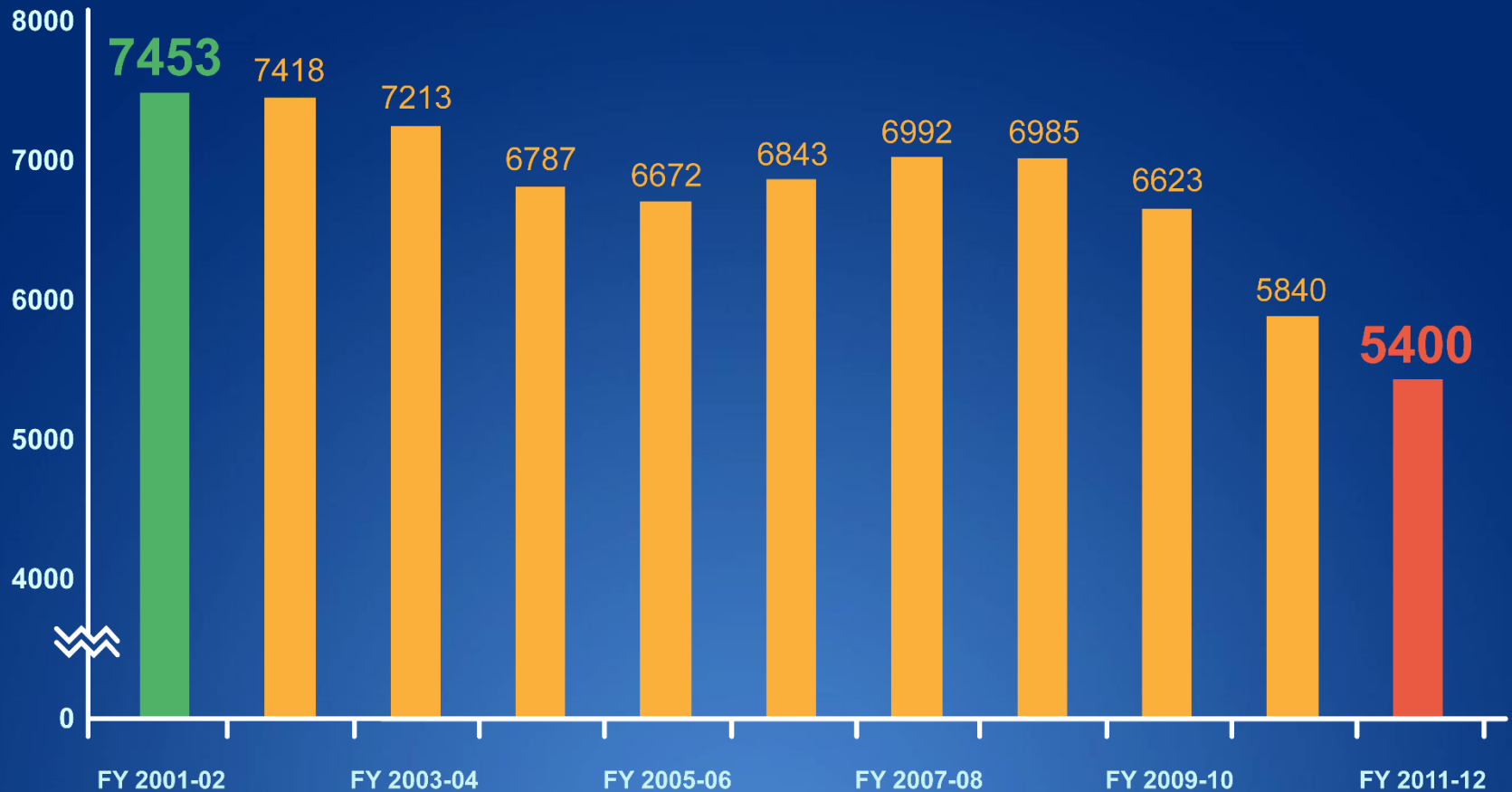
**Change from
FY 01-02 to FY 11-12**

- **General Revenue**
- **Avg. Employee Cost**
- **# of Employees (FTEs)**

*** Note: the 28% workforce reduction totaled more than 2,000 FTEs.**

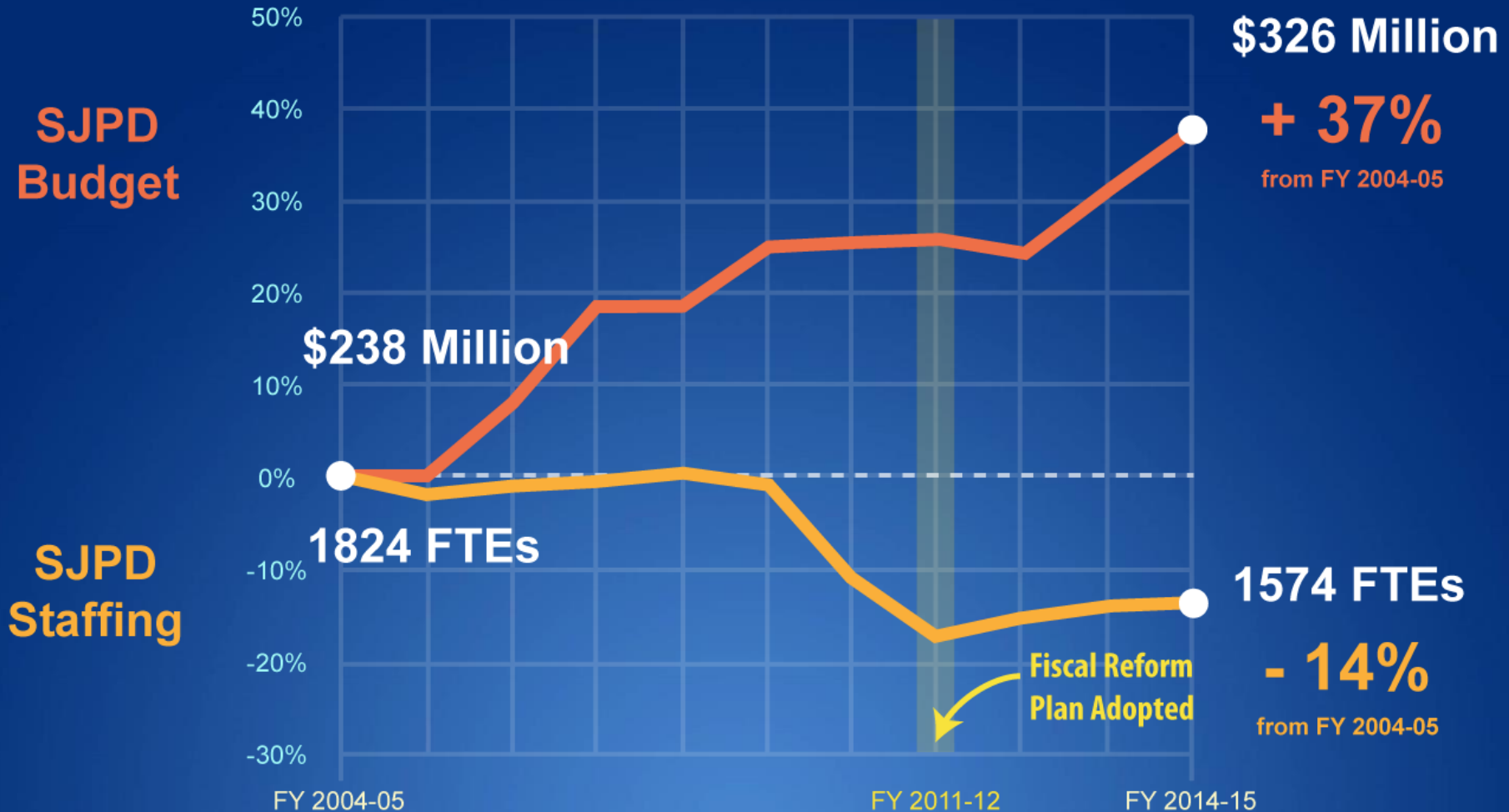
Source: City Manager's Budget Office

A Shrinking Number of City Employees



Source: City of San Jose Adopted Operating Budgets, FY 2001-02 through FY 2011-12

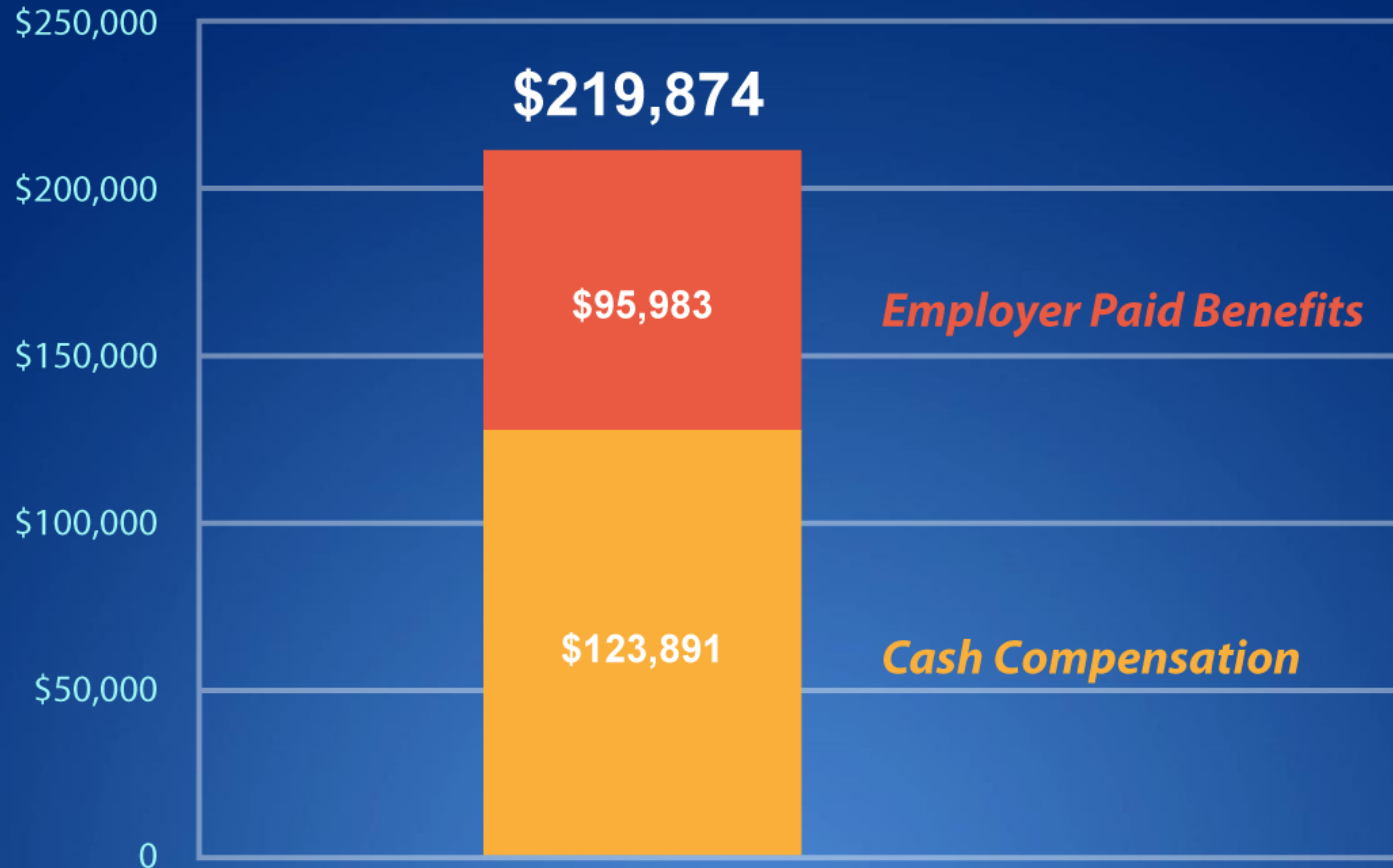
Police Department Budget and Staffing Since FY2004-05



Source: City of San Jose Adopted Operating Budgets, FY 2004-05 through FY 2012-13 and FY 2014-15;
FY 2013-14 Modified Operating Budget

Employer Costs – San Jose Police Officers

Average Total Compensation and Benefits
for Top Step Police Officers (Tier 1)



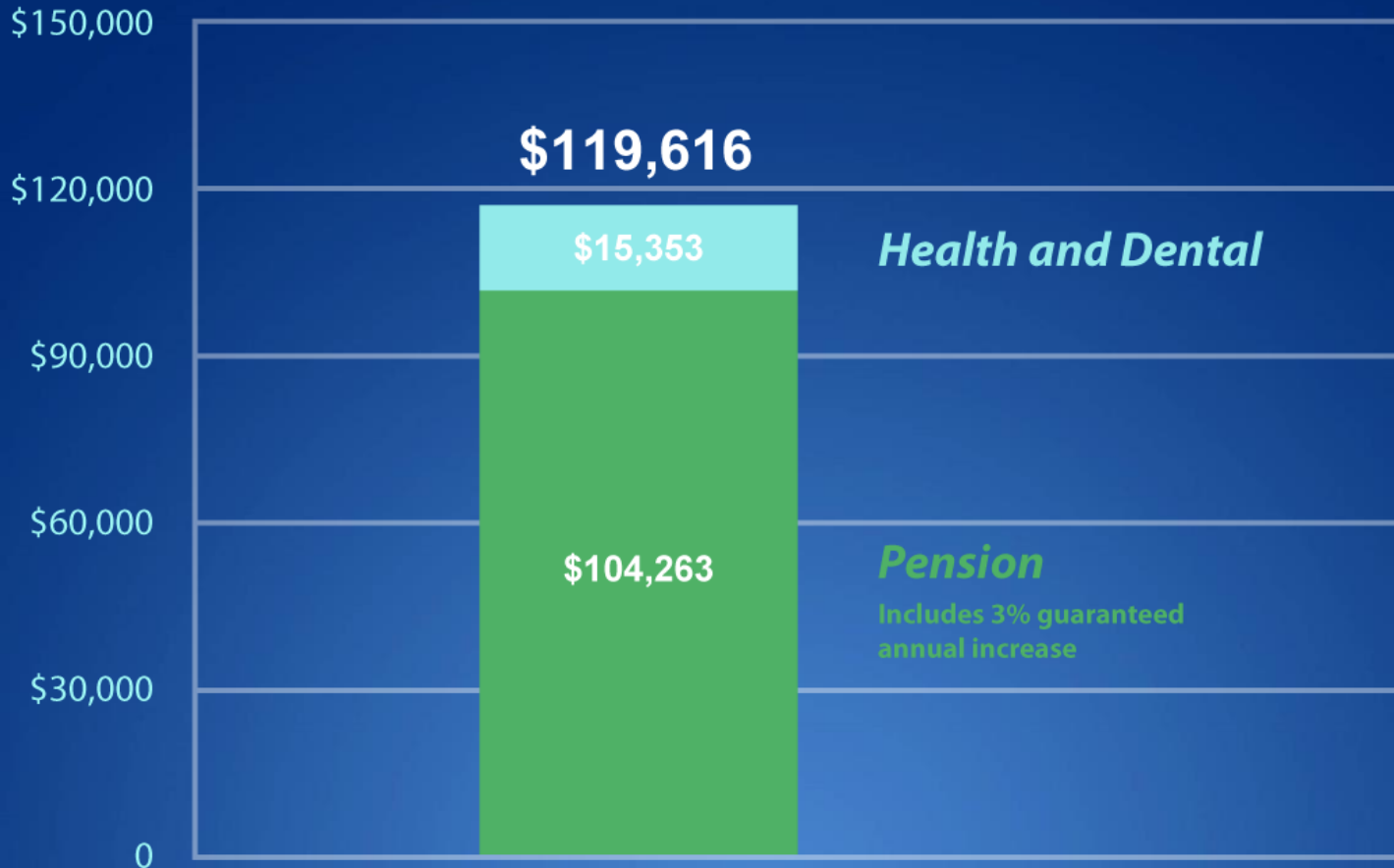
Employer Paid Benefits include Health and Dental Benefits, Employee Assistance Program, and Retirement Contribution including Retiree Health Care.

Cash Compensation includes Base Pay, POST, Overtime, and Uniform Allowance, before taxes and before employee contributions for benefits.

Source: Office of Employee Relations. Data is based on information for 2013 from the pay plan, SJPOA MOA, Police Benefit Fact Sheets, and Medical and Dental Plan Premiums, with the exception of average overtime which is actual data from 2013 W-2's and includes stand-by, callback, comp time payouts, and overtime. Overtime compensation is non-pensionable. POST is not the average POST pay received; it is the average of Basic POST (0%), Intermediate POST (5%), and Advanced POST (7.5%) multiplied by the top step of base pay.

Public Safety Retirement Benefits

Average Pension and Health Care Benefits for Tier I Safety Employees Who Retired Between 2009–2014



Source: Office of Employee Relations. Includes approved retirements January 1, 2009 through March 31, 2014. Value of Retiree Health and Dental Benefits is taken from the City of San Jose Police and Fire Department Retirement Plan 2012-2013 Comprehensive Annual Financial Report; the average figure is for 2012 only, is per retiree and beneficiary, and includes single or family coverage.