

Emergency Operations Center  
CITY OF SAN JOSE

# San José Community Oversight Committee (COC) Measure T Annual Report for Fiscal Year 2023-2024

Agenda Item 3.5  
March 4, 2025

Sal Kumar – Deputy Director, Public Works Department  
Gary Cunningham - Chair, COC  
Shruti Chandrasekhar – Vice Chair, COC  
Nicholas Cochran – District 6 Seat, COC

# Measure T COC Report to the City Council

## March 4, 2025

- This Measure T COC annual report covers the most recent fiscal year ending June 30, 2024.

### **COC Findings and Conclusions FY2023-2024**

The bond issuance and related expenditures have been reviewed by the COC to ensure that the proceeds have been:

- Used within the spending categories defined and authorized by Measure T
- Expended on a timely basis to ensure that the municipal bonds issued retain their tax-exempt status.

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## Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond Proceeds

<b>2018</b>	<b>Bond Authorized</b>	<b>\$650.0 M</b>
<b>2019</b>	<b>Bond Issued</b>	<b>(\$239.9M)</b>
<b>2021</b>	<b>Bond Issued</b>	<b>(\$200.5M)</b>
	<b>Total Bonds Issued to date</b>	<b>(\$440.4M)</b>
	<b>Remaining Bond Issuance</b>	<b>\$209.6M</b>

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### FY 2019-2020 through 2023-2024 Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond Program Audited Use of Funds

Measure T Program Category	Measure T Audited Use of Funds (Dollars)					
	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	Total FY 2019 thru 2024
Traffic	2,930,649	40,383,406	44,770,915	40,721,669	59,740,220	188,544,837
Public Safety	906,296	31,390,243	23,971,159	14,614,398	18,620,324	89,551,258
Storm Sewer	809,388	612,967	998,225	2,062,879	6,580,336	11,061,773
Municipal Improvements	47,494,159	3,036,3132	2,676,069	1,941,396	477,266	55,623,180
Parks and Community	60,280	49,969	329,934	966,812	2,022,932	3,377,045
Total	52,200,772	75,472,897	72,736,302	60,307,154	87,441,078	348,158,093

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### General Observations and Comments

#### **1. Continued low rate of Measure T spending versus DPW's planned spending continues to be a concern**

- From July 2019 through June 2024, 79% of the \$440.4 million issuance proceeds have been spent
- The bond indenture requires that 85% of proceeds be spent within three years of issuance in order to qualify for the bonds' requisite tax exemptions; the timing of any future bond issuance must take into account expected project spending rates to ensure continued compliance with the Measure T bond indenture and IRS regulations.
- Delays and/or deferrals of planned spending serve to push out completion of affected Measure T projects and increases the risk of serious cost overruns.

#### **2. Public Safety Projects are at considerable financial/budget risk and are the most likely Measure T projects to be negatively affected by any further delays and/or future cost overruns.**

- \$70 million of realized and expected project overruns have already been funded from the \$85 million public safety reserve leaving limited resources available to fund future shortfalls.

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### Specific Recommendations

#### **1. Prioritize the Public Safety Projects Slated to Receive Measure T Funds**

- Establishing public safety project priorities enables the city council to make timely midcourse spending corrections, effect necessary project re-scoping, or make important project-shelving decisions, should such action(s) become necessary.

#### **2. Fill Vacant COC Seats**

- Four COC seats remain unfilled -- D7, Public Safety, Citywide Business and Citywide Finance/Accounting; filling these remaining seats lowers the risk of not being able to achieve a required quorum to conduct COC meetings

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# Thank You

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