

**General Fund  
Appropriation Adjustment Actions**

<b>Department/Proposal</b>	<b>USE</b>			<b>Ending Fund Balance</b>	<b>Total Use</b>	<b>SOURCE</b>		<b>NET COST</b>
	<b>Personal Services</b>	<b>Non-Personal/ Equipment</b>	<b>Other</b>			<b>Revenue</b>	<b>Beg Fund Balance</b>	
<b>INDEPENDENT POLICE AUDITOR</b>								
<b>Independent Police Auditor Recruitment</b>		\$23,400			\$23,400			\$23,400
Provides additional funding to the Office of the Independent Police Auditor for contractual costs associated with the recruitment of the new Independent Police Auditor. The total costs estimated for contractual services is \$35,000. Included in this document is the rebudget of \$11,600 from savings in the Office's personal services and non-personal/equipment appropriations from 2003-2004, which will be reallocated to contractual services. This action represents the net funding required for the recruitment process.								
<b>TOTAL INDEPENDENT POLICE AUDITOR</b>			<b>\$23,400</b>		<b>\$23,400</b>	<b>\$0</b>		<b>\$23,400</b>
<b>CITY ATTORNEY</b>								
<b>City Hall Investigation</b>		\$60,000			\$60,000			\$60,000
Provides funding for the estimated cost of hiring of an outside investigator for the new City Hall converged network RFP investigation.								
<b>TOTAL CITY ATTORNEY</b>			<b>\$60,000</b>		<b>\$60,000</b>	<b>\$0</b>		<b>\$60,000</b>
<b>FINANCE</b>								
<b>Purchasing Administration Position</b>	\$50,000				\$50,000			\$50,000
Provides additional funding for a purchasing administrative position that will be added to the Purchasing Division as part of the transfer of this function to the Finance Department. An existing position in the organization will be identified and redeployed to the Purchasing Division, however, it is anticipated that additional monies will be necessary to fully fund the position.								
<b>TOTAL FINANCE</b>		<b>\$50,000</b>			<b>\$50,000</b>	<b>\$0</b>		<b>\$50,000</b>
<b>PLAN, BLDG AND CODE ENF</b>								

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<b>PLAN, BLDG AND CODE ENF</b>								
<b>Building Fee Program</b>	\$238,000	\$13,000			\$251,000			\$251,000
Provides funding from the Building Fee Program Reserve to meet development service performance targets and customer service needs in 2004-2005. Adjustments proposed include: the addition of two Associate Engineer positions (\$197,000), related non-personal/equipment (\$13,000), and additional costs required for the reorganization of building inspection management function (\$41,000).								
<b>Planning Fee Program</b>	\$195,000	\$5,000			\$200,000			\$200,000
Provides funding from the Planning Fee Program Reserve to meet development service performance targets and customer service needs in 2004-2005. Adjustments proposed include: two temporary Planner positions and related non-personal/equipment.								
<b>TOTAL PLAN, BLDG AND CODE ENF</b>	<b>\$433,000</b>	<b>\$18,000</b>			<b>\$451,000</b>	<b>\$0</b>		<b>\$451,000</b>
<b>PARKS, REC AND NEIGH SVCS</b>								
<b>Happy Hollow: Marketing/Public Outreach Representative</b>				\$88,000	\$88,000	\$88,000		\$0
Recognizes \$88,000 in additional revenues and appropriates corresponding expenditures for a temporary Marketing/Public Outreach Representative that will be funded by Happy Hollow Corporation (HHC). This position will provide marketing, promotion and event services co-sponsored by HHC.								

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<b>PARKS, REC AND NEIGH SVCS</b>								
<b>Strong Neighborhoods Initiative</b>	(\$412,013)	(\$59,267)			(\$471,280)			(\$471,280)
<p>Moves a total of \$471,280 from Parks, Recreation &amp; Neighborhood Service's (PRNS) personal and non-personal/equipment allocations and moves the City-wide allocation for Strong Neighborhoods Initiative (SNI) model from PRNS to the City Manager's Office (City-Wide Expense section).</p> <p>As directed by the Mayor's June Budget Message, the new SNI model was revisited and further consideration was given for the diversity among the various SNIs. This review has resulted in a reallocation of personal and non-personal/equipment funds dedicated to SNI and the Neighborhood Development Center in PRNS to be used to augment staffing resources for SNI to ensure seamless delivery of services. As a result, four net positions are recommended to be added. This includes the recommended elimination of two Development Specialists, and addition of a Community Coordinator, two Community Activity Workers, and three Community Activity Workers PT.</p>								
<b>TOTAL PARKS, REC AND NEIGH SVCS</b>	<b>(\$412,013)</b>	<b>(\$59,267)</b>	<b>\$88,000</b>		<b>(\$383,280)</b>	<b>\$88,000</b>		<b>(\$471,280)</b>
<b>CONV, ARTS &amp; ENTER</b>								
<b>Paseo Villas Public Art Grant</b>		\$37,318			\$37,318	\$37,318		\$0
<p>Accepts a grant from a developer in accordance with an agreement to facilitate the public art program for the Second and Santa Clara Development Project.</p>								
<b>TOTAL CONV, ARTS &amp; ENTER</b>		<b>\$37,318</b>			<b>\$37,318</b>	<b>\$37,318</b>		<b>\$0</b>
<b>LIBRARY</b>								
<b>Local Agency Grants</b>			\$247,755		\$247,755	\$247,755		\$0
<p>Increases the Library Grants appropriation due to the award of the First Five Santa Clara County grant (\$247,755).</p>								

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<b>LIBRARY</b>								
<b>State Grants</b>			\$128,632		\$128,632	\$128,632		\$0
Increases the Library Grants appropriation due to the award of the following grants: Global Language Grant (\$40,000); Staff Education Grant (\$4,967); California Council for the Humanities (\$2,000); Small Business in a Box (\$10,000); and California Library Literacy Services (\$71,665).								
<b>TOTAL LIBRARY</b>			<b>\$376,387</b>		<b>\$376,387</b>	<b>\$376,387</b>		<b>\$0</b>
<b>TRANSFERS</b>								
<b>Transfer to Community Facilities Revenue Fund</b>			\$1,000,000		\$1,000,000			\$1,000,000
Establishes a transfer and loan to the Community Facilities Revenue Fund in the amount of \$1,000,000 to offset a potential shortfall in the fund's ending fund balance in the current fiscal year. In 2004-2005, it was assumed that revenues plus draws from a line of credit with Comerica would be sufficient to cover expenses for the Hayes Mansion, including debt service on the Hayes Mansion bonds. It is now assumed that there will be some improvement to revenues in 2004-2005, compared to 2003-2004, but not at a level sufficient to cover operating expenses plus debt service on the Hayes Mansion bonds. A transfer from the General Fund is now recommended to assure adequate funding to complete the payment of debt service for the facility. Staff is currently reviewing additional options to provide funding to cover operating and debt expenses for the Hayes Mansion through February 2006, which is the latest estimate for when the facility will reach a "break-even-point" (revenues = all operating and debt expenses of the facility). It is still anticipated that this additional funding, along with \$5,000,000 previously committed to this fund, will be eventually be repaid to the City.								
<b>Transfer to Redevelopment Agency: Home Assistance Loan</b>			\$250,000		\$250,000			\$250,000
Transfers \$250,000 to the Redevelopment Agency from funds deposited with the City from the repayment of a home assistance loan that was issued to the Assistant Redevelopment Executive Director and repaid in 2003-2004.								

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<b>TRANSFERS</b>								
<b>Transfer to the Convention and Cultural Affairs Fund</b>			\$975,000		\$975,000			\$975,000
Increases the transfer to the Convention and Cultural Affairs (CCA) Fund by \$975,000 to offset the shortfall in the fund that occurred as the result of 2003-2004 activity. The CCA Fund ended the year with a negative ending fund balance in the amount of \$874,000 due to bookings and revenues performing significantly below expectations late in the year. In order to correct the negative fund balance in this fund, additional funding is recommended to address this shortfall and provide a minimum fund balance (\$100,000) to start the year.								
<b>Transfer to the Municipal Golf Course Fund</b>			\$300,000		\$300,000			\$300,000
Establishes a transfer to the Municipal Golf Course Fund. Revenue collections at Los Lagos and Rancho del Pueblo Golf Courses in 2003-2004 ended the year well below budgeted levels. In 2004-2005, it was assumed that revenues would perform at the 2003-2004 estimated level. It is now assumed that revenues will continue at a reduced level and a transfer from the General Fund is now recommended to assure that resources will be adequate to cover debt service requirements for these two golf courses in 2004-2005.								
<b>Transfer to the SJ Financing Auth 2000 (Camden Ctr.)</b>			\$1,593		\$1,593			\$1,593
Increases the Transfer to the Financing Authority for the Camden Center debt service payment. This adjustment corrects an error in the 2004-2005 Adopted Budget.								
<b>TOTAL TRANSFERS</b>			<b>\$2,526,593</b>		<b>\$2,526,593</b>	<b>\$0</b>		<b>\$2,526,593</b>
<b>EARMARKED RESERVES</b>								
<b>2005-2006 Future Deficit Reserve</b>			\$7,330,537		\$7,330,537			\$7,330,537
Per Council policy, utilizes the net available ending fund balance funds from the 2003-2004 fiscal year to establish a reserve to help address the 2005-2006 Deficit estimated in the 2005-2009 Five-Year Forecast that was released in March 2004.								

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<b>EARMARKED RESERVES</b>								
<b>Building Fee Program Reserve</b>								
Reallocates \$256,519 from Building's Fee Reserve for the new staff to meet development service performance targets (\$251,000) and the Building Fee Program's share of one-time costs related to the San Jose Permits On-Line enhancement (\$5,519).								
<b>Building Fee Program Reserve Reconciliation</b>								
Increases the Building Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess from the Building Fee Program.								
<b>Enhanced Parks Maintenance Reserve</b>								
Reserves additional funding that was received from Construction and Conveyance (C&C) Tax Funds - Parks due to higher than anticipated collections in the 2003-2004 fiscal year. By Council policy, 15% of Parks C&C collections are transferred annually to the General Fund for parks maintenance.								
<b>Fire Fee Program Reserve</b>								
Reallocates \$1,594 from Fire's Fee Reserve for the Fire Fee Program's share of one-time costs related to the San Jose Permits On-Line enhancement.								
<b>Fire Fee Program Reserve Reconciliation</b>								
Increases the Fire Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess.								
<b>New Civic Center Operating &amp; Maintenance Reserve</b>								
Eliminates the reserve established for operating and maintenance costs of the new City Hall. Elsewhere in this document, these funds are used to establish an appropriation to ensure the availability of operating and maintenance costs for the opening of the new City Hall at the end of this fiscal year.								



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<b>CITY-WIDE EXPENSES</b>								
<b>21st Century - New Year Grant (Core)</b>			\$639,500		\$639,500	\$639,500		\$0
Budgets grant funding from the California Department of Education in the Parks, Recreation and Neighborhood Services Department for the California 21st Century Community Learning Centers program. This is the second year of the four-year grant and will fund after school programs for eight elementary schools and one middle school.								
<b>Cable Franchise Renewal Potential Litigation</b>			\$200,000		\$200,000			\$200,000
Provides additional funding for outside legal counsel costs for potential litigation related to the cable franchise renewal process.								
<b>Child Care Tax Credit Grant</b>			\$38,612		\$38,612	\$38,612		\$0
Budgets grant funding from the Department of Health and Human Services in the Parks, Recreation and Neighborhood Services Department to continue to support the implementation of the Early Care and Education Strategic Work Plan Goal Area III.								
<b>Civic Center Start-Up Costs Technical Adjustment</b>			\$500,686		\$500,686			\$500,686
Converts the currently budgeted funding from the New Civic Center Earmarked Reserve (\$452,768) to a live appropriation. Also corrects an error in the 2004-2005 Adopted Budget related to new City Hall maintenance and operating costs. Revenue from the Redevelopment Agency's portion of maintenance costs (\$44,000) was recognized in the 2004-2005 Adopted Budget, however, the expenditure portion was inadvertently omitted in the development of the Adopted Budget. In addition, a small portion of the costs (\$3,918) were assumed to be directly charged to other funds that are no longer eligible.								
<b>Mayor and City Council Travel</b>			\$35,000		\$35,000			\$35,000
To implement proposed City Council policy (to be separately agendized), provides additional funding for travel expenditures for the Mayor and Council Members who are officially representing the City where travel may be necessary in order to advance City needs.								

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<b>CITY-WIDE EXPENSES</b>								
<b>San Jose Permits On-Line</b>			\$210,000		\$210,000			\$210,000
Establishes funding to allow staff to meet the increasing demand from customers to be able to leave funds on deposit to be applied to subsequent development applications (\$10,000) and assistance for imaging of Planning and Public Works' records (\$200,000). Funding is recommended to come from a reduction to the Planning, Building, Fire and Public Works Fee Program Earmarked Reserves for their share of the costs.								
<b>Senior Home Loan Assistance Program</b>			\$1,250,000		\$1,250,000			\$1,250,000
Increases the allocation for the Senior Home Loan Assistance Program to provide resources for loans likely to be necessary later this year. The funding is recommended to be provided by rebudgetting the proceeds from five senior staff loans which were repaid during 2003-2004.								
<b>Strong Neighborhoods Initiative (PRNS)</b>			\$471,280		\$471,280			\$471,280
See explanation in the Parks and Recreation and Neighborhood Services section.								
<b>TOTAL CITY-WIDE EXPENSES</b>			<b>\$3,465,078</b>		<b>\$3,465,078</b>	<b>\$798,112</b>		<b>\$2,666,966</b>
<b>Total General Fund Adjustment Actions</b>	<b>\$70,987</b>	<b>\$79,451</b>	<b>\$17,573,159</b>		<b>\$17,723,597</b>	<b>\$1,299,817</b>		<b>\$16,423,780</b>