

CITY OF SAN JOSE
2009-2010 ADOPTED OPERATING BUDGET

FUND DESCRIPTIONS

Airport Capital Funds

Finances the Airport's capital expenditures and consists of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and the Airport Passenger Facility Charge Fund.

Airport Operating Funds

Finances the operation of the Airport and consists of the following: Airport Revenue Fund; Airport Maintenance and Operation Fund; Airport Surplus Revenue Fund; Airport Customer Facility and Transportation Fee Fund, and the Airport Fiscal Agent Fund.

Anti-Tobacco Master Settlement Agreement Revenue Fund ("Healthy Neighborhoods Venture Fund")

Accounts for the distribution of the funds received by the City of San José related to the national tobacco settlement. As a guideline, the funds are generally allocated approximately as follows: 25% for Tobacco-Free Community/Health, 25% for Senior Services/Health, and 50% for Education/Health programs.

Benefit Funds

Consist of the Dental Insurance, Life Insurance, Unemployment Insurance and Employee Benefit Funds. These funds account for the provision and financing of benefits to City employees, retirees, and their dependents.

Branch Libraries Bond Projects Fund

Accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure O). The

use of this fund is restricted to acquisition of property, and expansion and construction of branch libraries.

Building and Structure Construction Tax Fund

Tax on residential, commercial, and industrial development. The use of these funds, along with grant revenues, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems which increase traffic volume.

Business Improvement District Fund

Accounts for assessments involving Business Improvement District activities.

Cash Reserve Fund

Revolving fund for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues, and for payment of authorized expenses for any fiscal year that must be paid prior to the receipt of tax payments and other revenues.

City Hall Debt Service Fund

Accounts for the debt service payments for City Hall, the City Hall off-site parking garage, and City Hall furniture, fixtures, and equipment. This fund receives transfers from the General Fund, special funds, and capital funds in amounts sufficient to cover the debt service payments.

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FUND DESCRIPTIONS (CONT'D.)

Civic Center Construction Fund

Accounts for the revenues and construction costs related to the construction of City Hall.

Civic Center Improvement Fund

Accounts for commercial paper proceeds for improvements to City Hall, including technology, furniture, and equipment.

Civic Center Parking Fund

Accounts for revenues and construction costs related to the construction of the City Hall off-site parking garage.

Community Development Block Grant Fund

Accounts for federal grant monies received from the U.S. Department of Housing and Urban Development under Title II Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

Community Facilities and Maintenance Districts Funds

Accounts for the maintenance and administration of assessment districts throughout the City.

Community Facilities Revenue Fund

Accounts for the rental revenues received from Hayes Mansion operations and provides for the accumulation and transfer of base rental income to the appropriate debt service funds for repayment of the facilities-related debts.

Construction Excise Tax Fund

Tax on the construction of residential, commercial, and mobile home developments (also referred to as the Commercial, Residential, Mobile Home Park Building Tax). This general purpose tax is based on building valuation, with the majority of the revenues in the fund historically being used for traffic improvements.

Construction and Conveyance Tax Funds

The Construction Tax is a flat rate assessed to residential, commercial, and industrial development. The Conveyance Tax is a fee imposed at a rate of \$3.30 for each \$1,000 of the value of property conveyed. Construction and Conveyance Tax Funds are dedicated to the Parks and Community Facilities, Communications, Fire, Library, and Service Yards Capital Programs.

Convention and Cultural Affairs Fund

Established to fund the costs of managing and operating the San José McEnery Convention Center, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Exhibit Hall, and their related facilities and grounds.

Downtown Property and Business Improvement District Fund

Accounts for revenue collected and expenses related to maintaining and operating any public improvements which are payable from annual assessments apportioned among the several lots of parcels or property within the Downtown area.

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FUND DESCRIPTIONS (CONT'D.)

**Economic Development Administration
Loan Fund**

Accounts for federal fund and loan repayment to provide loans to small businesses for business expansion, remodeling, working capital, equipment or other specified uses with the goal of generating additional employment opportunities as a result of such assistance to businesses within the City of San José.

**Economic Development Enhancement
Fund**

Accounts for grants and interest income to assist San José small businesses by providing loan guarantees to lenders for transactions that do not meet traditional banking standards and provides direct loans to eligible and qualified borrowers to close the gap in financing when the lender does not provide the total amount of funds requested.

**Edward Byrne Memorial Justice
Assistance Grant Trust Fund**

Accounts for the City's portion of funding from the U.S. Department of Justice through the County of Santa Clara as a fiscal agent. Funds are restricted to law enforcement, prevention and education programs, and planning, evaluation, and technology improvements for front line law enforcement. The Justice Assistance Grant process replaces the Local Law Enforcement Block Grant (LLEBG) process.

**Emergency Communication System
Support Fee Fund**

Established to account for the receipt of all money received for the eligible portion of operating costs and project costs

related to the operation of the San José 911 emergency communication system for telephone subscribers who are subject to the Emergency Communication System Support Fee collected pursuant to the provisions of Chapter 8.20 of Title 8 of the San José Municipal Code. This fee was discontinued effective April 2009 due to voter approval of the Telephone Line Tax that replaces this fee.

Emergency Reserve Fund

Accounts for reserves established from local revenues to meet public emergencies.

Emma Prusch Memorial Park Fund

Established for the development and improvement of Emma Prusch Memorial Park.

Federal Drug Forfeiture Fund

Accounts for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Codes. Federal guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Federated Retirement Fund

Established to account for the accumulation of resources to be used for retirement annuity payments to all full-time and some eligible part-time City of San José employees, except members of the Police and Fire Retirement System.

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FUND DESCRIPTIONS (CONT'D.)

Fiber Optics Development Fund

Accounts for the installation of a fiber optic conduit system that the City owns.

Gas Tax Maintenance and Construction Funds

Represent the City's portion of the State collected Gas Tax. Revenues are restricted for acquisition, construction, improvement, and maintenance of public streets subject to provisions of the Streets and Highways Code of the State of California and to provide for traffic capital improvements.

General Purpose Parking Fund

Accounts for operation of City parking lot facilities, parking lots and parking meters located within the City. Financing and capital construction of certain parking facilities are also accounted for within this fund. The Parking System provides parking to the general public and is financed through parking fees.

Gift Trust Fund

Established to receive gifts, donations and bequests and account for their expenditure.

Hayes Mansion Phase III Fund

Accounts for Hayes Mansion Phase III expansion bond revenue and interest income to provide for Phase III expansion and improvements to the Hayes Conference Center.

Home Investment Partnership Program Trust Fund

Accounts for all monies allocated to the City by the U.S. Department of Housing and Urban Development for affordable housing projects pursuant to the HOME Investment Partnership Act.

Housing Trust Fund

Established to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

Ice Centre Revenue Fund

Accounts for the rental revenues received from Ice Centre operations and provides for the accumulation and transfer of base income to the appropriate debt service funds for repayment of the facilities related debts.

Integrated Waste Management Fund

Accounts for activities related to the Integrated Waste Management Program which includes garbage collection, recycling services and related billing operations. The fund collects revenues from the City's Recycle Plus program. These funds are expended for programs related to the City's efforts to comply with State law requiring cities to reduce waste sent to landfills along with other integrated waste management services.

Lake Cunningham Fund

Accounts for the parking fees and lease payment revenues used for the purchase of equipment, maintenance, and operations at Lake Cunningham Park.

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FUND DESCRIPTIONS (CONT'D.)

Library Parcel Tax Fund

Accounts for the annual parcel tax revenues to be used for enhancing the City's library services and facilities.

Local Law Enforcement Block Grant Fund

Accounts for the funding received from the federal government in support of the Local Law Enforcement Block Grant Program. These grant funds are used to support law enforcement activities such as training, overtime for law enforcement officers, procurement of equipment, technology and other material directly related to law enforcement functions.

Low and Moderate Income Housing Fund

Accounts for San Jose Redevelopment Agency tax increment funds received to provide affordable housing rehabilitation and new housing programs. Funds are available for eligible administrative expenses, loans and grants.

Major Collectors and Arterial Fund

Accounts for the collection of monies owed by developers for previously completed street improvements.

Major Facilities Fund

This fund is part of the Municipal Water System Capital Program. This fund receives fees associated with the connection and operation of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote areas. Developer fees are paid into this fund for the future construction of large water mains, reservoirs, and other large projects.

Multi-Source Housing Fund

Accounts for grants, inclusionary fees, and rental dispute mediation fees to support the rental rights and referrals program, to expand the supply of affordable housing for low and very low income residents by providing both financial and technical assistance to nonprofit organizations in the production and operation of affordable housing, and to preserve the existing supply of affordable housing by providing rehabilitation grants and loans to low and moderate income homeowners.

Municipal Golf Course Fund

Accounts for the construction, management, and operation of various City golf courses, including the San José Municipal Golf Course, Los Lagos Golf Course, and Rancho del Pueblo Golf Course.

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FUND DESCRIPTIONS (CONT'D.)

Municipal Health Services Program Fund

Established to account for money received from the Medicare Waiver Demonstration Project funded by the Health Care Financing Administration (HCFA) of the U.S. Department of Health and Human Services and disbursements made by the City to various health care clinics on behalf of HCFA. Funding is used to provide community-based health care services to Medicare recipients at four San José clinics.

Neighborhood Security Act Bond Fund

Accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). The use of this fund is dedicated to acquisition of real property and construction and rehabilitation of public safety-related facilities.

North San José Traffic Impact Fee Fund

Accounts for fees imposed to offset the impacts on traffic from new industrial and residential development within the boundaries of and subject to the North San José Area Development Policy.

Parking Capital Development Fund

Provides funding to acquire land; design, develop, and construct parking facilities; acquire parking inventory; pay parking debt obligations; and support activities that have a direct impact on increasing parking supply development.

Parks and Recreation Bond Projects Fund

Accounts for General Obligation Bond proceeds approved by voters on the November 2000 ballot (Measure P). The use of this fund is restricted to acquisition of property, upgrades, and construction of neighborhood parks, community centers, trails, regional parks, and sports complexes.

Police and Fire Retirement Fund

Accounts for the accumulation of resources to be used for retirement annuity payments to all sworn personnel of the City of San José's Police and Fire Departments.

Public Works Program Support Fund

Accounts for Public Works administrative costs, compensated absences, unfounded activities, and non-personal costs. An annual cost allocation plan is utilized to equitably allocate these costs to capital programs on the basis of service levels received as compensated time-off is earned rather than charging the costs when the time-off is taken. Various capital projects are charged a rate for each hour Public Work's staff spends on the project and corresponding revenue is received by this fund.

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FUND DESCRIPTIONS (CONT'D.)

Residential Construction Tax Contribution Fund

Accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax is collected and placed in the Residential Construction Tax Contribution Fund and is used to reimburse developers who have constructed that portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median island landscaping and other street improvements.

San José Arena Enhancement Fund

Established for the payback of an \$8.25 million loan under the 2007 Amended and Restated San José Arena Management Agreement that is being utilized to fund capital improvements for the San José Arena (HP Pavilion).

San José Municipal Stadium Capital Fund

Establishes an account for revenues that are received pursuant to the agreement with Baseball Acquisition Company Annual for the use, operation, and management of the Municipal Stadium.

San José-Santa Clara Treatment Plant Capital Fund

Accounts for the construction of improvements to the regional San José/Santa Clara Water Pollution Control Plant (WPCP) and the purchase of equipment through contributions from the City of Santa Clara and other tributary agencies, and transfers from the Sewer Service and Use Charge Operating Fund.

San José-Santa Clara Treatment Plant Income Fund

Accounts for revenues and expenditures not related to the day-to-day operations and maintenance of the WPCP. Contains the City's share of revenue from land rentals, legal settlements, and purchase of land located at the WPCP.

San José-Santa Clara Treatment Plant Operating Fund

Accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

Sanitary Sewer Connection Fee Fund

Accounts for connection fees charged to new developers to access the City's sanitary sewer system and the regional San José/Santa Clara Water Pollution Control Plant (WPCP). Funds are restricted to the construction and reconstruction of the system.

Services for Redevelopment Capital Projects Fund

Accounts for funds paid directly by the Redevelopment Agency for construction and acquisition of public improvements on behalf of the Agency. To the extent construction project expenditures are not fully expended, the savings are returned to the Redevelopment Agency.

Sewage Treatment Plant Connection Fee Fund

Accounts for revenues from new residential, commercial and industrial connections to the WPCP. Revenues pay City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

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FUND DESCRIPTIONS (CONT'D.)

Sewer Service and Use Charge Fund

Accounts for financing, construction, and operation of the sanitary sewer system and City's share of the financing, construction, and operation of the WPCP.

Sewer Service and Use Charge Capital Improvement Fund

This fund, used for the reconstruction of the sanitary sewer system, receives annual transfers from the Sewer Service and Use Charge Fund.

State Drug Forfeiture Fund

Established to account for State drug forfeiture monies received whenever the Police Department is involved in asset seizures from convicted drug law violators. City Council guidelines for this fund stipulate that seizure monies be used for the financing of programs or costs required for the direct or indirect enhancement of narcotics-related enforcement activities.

Stores Fund

Accounts for the purchase and issuance of materials and supplies consumed by the City departments for their general operations.

Storm Drainage Fee Fund

Accounts for fees collected from developers as a result of connections to the storm drainage sewer system which may be used for construction, reconstruction, and maintenance of the storm drainage system and for land acquisition for the system.

Storm Sewer Capital Fund

Accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for the construction and reconstruction of the storm drainage system.

Storm Sewer Operating Fund

Accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for the maintenance and operation of the storm drainage system. Expenditures are focused on non-point source pollution reduction, along with maintenance and operation of the storm drainage system.

Subdivision Park Trust Fund

Accounts for payments of fees in lieu of dedication of land for park and recreation purposes in residential subdivisions. Moneys in the fund, including accrued interest, may be expended solely for the acquisition or development of improvements on parkland to serve the subdivision for which the fees were paid.

Supplemental Law Enforcement Services Fund

Accounts for revenues received from the State of California (AB 3229) to be used for front line municipal police services.

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FUND DESCRIPTIONS (CONT'D.)

Transient Occupancy Tax Fund

Assessed as a percentage of the rental price for transient occupancy lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, 6% of which is placed in this fund and 4% of which is deposited in the General Fund. The uses of revenues from this source are specified by City Ordinance and include grants and rental subsidies for fine arts and cultural programs, and subsidies for the San José Convention and Visitors Bureau and the Convention and Cultural Facilities operation.

Underground Utility Fund

Accounts for revenues received as assessments and fees for the City's costs and expenses to place certain utility facilities underground. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground. The fund is used to establish Rule 20B Underground Utility Districts.

Vehicle Maintenance and Operations Fund

Accounts for the operation, maintenance, and replacement of City vehicles and equipment.

Water Utility Capital Fund

Supports the Municipal Water System by funding the acquisition, construction, and installation of water system capital improvements. This system provides water service to North San José, Evergreen, Alviso, Edenvale, and Coyote areas and is primarily funded through user charges.

Water Utility Fund

Funds were established to account for the five water system operating districts: North San José, Evergreen, Coyote, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

Workforce Investment Act Fund

Accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.