

Airport Maintenance and Operation Fund**Fund 523****PURPOSE OF THE FUND:**

Per the terms of the Master Trust Agreement between the airlines and the Norman Y. Mineta San José International Airport, dated July 1, 2001, as supplemented and amended (“Master Trust Agreement”), the Airport Maintenance and Operation Fund accounts for revenues [transfers from the Airport Revenue Fund (Fund 521)] and expenditures incurred for the maintenance and operation of the Norman Y. Mineta San José International Airport.

Once revenues are received via transfers from the Airport Revenue Fund, they are expended for maintenance and operation expenses such as payments of salaries, non-personal/equipment expenses (including supplies, utilities, and overhead) and payments for police and aircraft rescue/fire fighting services. In addition, a number of reserves are held in this fund, such as for workers compensation and contingencies.

AUTHORITY FOR THE FUND:

San José Municipal Code Section 4.80.010. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

Transfers from the Airport Revenue Fund

FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted, as described below.

Legal restrictions placed on this fund are subject to provisions of the Master Trust Agreement. Federal regulations prohibit the use and/or transfer of Airport funds to any other funds for non-Airport related costs and/or projects. For further information regarding the flow of Airport Funds into the Airport Maintenance and Operation Fund please refer to the Flow and Priority of Funds chart following the Airport Revenue Fund summary.

LEAD RESPONSIBILITY:

Airport Department

Airport Maintenance and Operation Fund

Fund 523

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Proprietary Fund-Enterprise

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

Section 9.02