



Memorandum

TO: PUBLIC SAFETY, FINANCE AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jennifer A. Maguire

SUBJECT: BI-MONTHLY FINANCIAL REPORT
FOR MARCH/APRIL 2015

DATE: June 10, 2015

Approved

Date

6/10/15

The Bi-Monthly Financial Report for March/April 2015 was jointly prepared by the City Manager's Budget Office and the Finance Department and is presented for the Public Safety, Finance and Strategic Support Committee's review. The City Manager's Budget Office has analyzed actual expenditures as compared to the 2014-2015 Budget and the Finance Department has prepared a report that reflects the financial results for the ten months ending April 2015.

OVERVIEW

Revenues and expenditures continue to generally track within the budgeted estimates in all City funds. The Administration continues to closely monitor economic conditions and the performance of each fund, and will bring forward budget adjustments to the City Council as part of the 2014-2015 Year-End Budget Clean-up memorandum as necessary. Following are key highlights in this report:

- In the Silicon Valley, strong economic growth continues with median home prices up 8.8% from the same time last year, and unemployment rates continuing to remain below both State and national levels.
- Overall, in the General Fund, revenues are tracking to exceed the modified budget and expenditures are tracking to end the year with modest savings. As part of the Proposed Budget that was released on May 1, 2015, it is assumed that excess revenues, expenditures savings, and the liquidation of prior year carry over encumbrances in 2014-2015 would generate \$25.3 million in the 2014-2015 Ending Fund Balance/2015-2016 Beginning Fund Balance to be available as a funding source in 2015-2016. Actual performance in 2014-2015 is estimated to meet or slightly exceed these estimates and year-end budget adjustments will be brought forward on June 16, 2015, to set aside \$19.8 million of the excess revenues in a 2014-2015 Ending Fund Balance Reserve. The remaining 2014-2015 Ending Fund Balance is expected to be generated from additional revenue and expenditure savings to fully meet the estimate assumed in the 2015-2016 Budget.
- Current actual year-to-date revenue collection trends reflect the strong economic growth as assumed in the development of the 2014-2015 Adopted Budget. In the General Fund, revenues

OVERVIEW (Cont'd.)

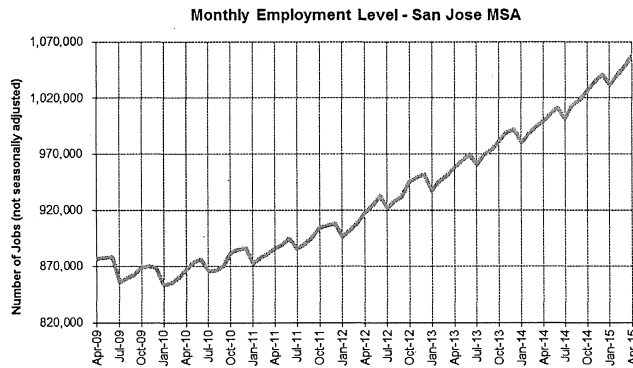
are expected to exceed current budgeted estimates and expenditures are anticipated to generate savings. Highlights of General Fund activities include:

- Property Tax receipts are expected to increase over 10% in 2014-2015 and exceed the budgeted estimate of \$234.0 million. This reflects strong growth in the Secured Property Tax category due primarily to changes in ownership and the full or partial restoration of property values that were temporarily reassessed downwards under Proposition 8 as a result of declining market values. In addition, a one-time payment to the City as a result of excess Educational Revenue Augmentation Fund (ERAF) of \$6.0 million accounted for approximately 3.0% of the Secured Property Tax growth in 2014-2015.
- Transiency Occupancy Tax continues its strong performance with year-over-year growth of over 20% in 2014-2015.
- Overall, General Fund departmental and non-departmental expenditures are tracking within budgeted levels through April and are expected to generate savings by year-end. A few appropriations are tracking close to or slightly above estimated levels, and necessary adjustments are included in the 2014-2015 Year-End Budget Clean-Up memorandum to address any potential overages, primarily through net-zero expenditure shifts or the recognition of additional revenues.
- Other construction taxes, including Construction Excise Tax and Building and Structures Tax, continue to experience solid performance though below the record setting levels seen in 2013-2014.
- Construction and Conveyance Tax collections continue to be extremely volatile throughout 2014-2015. Due to the continued increase in home prices, a recent uptick in the number of sales, and an unusually large amount received for May 2015, receipts in this category are now expected exceed the \$35.0 million estimate used in the development of the 2015-2016 Proposed Capital Budget and 2016-2020 Capital Improvement Program, yet may still fall short of the 2014-2015 Adopted Budget estimate of \$39.0 million.
- The Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 7.8 million passengers, an increase of 5.7% from the figures reported through April of the prior year and compares to a forecasted 2.0% growth in passenger activity in 2014-2015.
- Revenues and expenditures in all other special and capital funds are generally tracking within estimated levels. Budget adjustments are recommended in the 2014-2015 Year End Budget Clean-Up memorandum, scheduled for City Council consideration on June 16, 2015 (Item 3.5), to bring revenues and expenditures in line with the year-end estimates, to recognize any new funding, and to adjust project budgets based on the latest schedules.

OVERVIEW (Cont'd.)

Economic Environment

The economic performance in Silicon Valley continues to exhibit growth, with increasing housing prices, a declining unemployment rate, and continued strong development activity. Actual revenue performance through ten months of the year reflects this solid economic position with many local economic indicators, including employment, local construction, and real estate activity measures, showing signs of sustained health.



The April 2015 employment level in the San José, Sunnyvale, Santa Clara Metropolitan Statistical Area (San José MSA) of 1.06 million was 5.9% above the April 2014 level of 988,900.

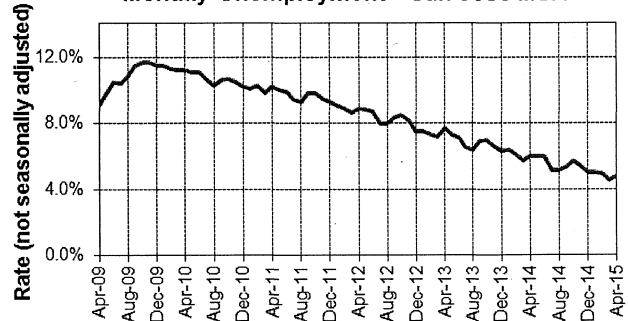
The unemployment rates at the local, State, and national levels continue to reflect improvement from prior year and from prior month levels. In April 2015, the unemployment for the San José Metropolitan Statistical Area of 4.0% represents a 21.6% decline from the April 2014 rate of 5.1%. In this region, the April 2015 level continues to fall below the unadjusted unemployment rate for both the State (6.1%) and the nation (5.1%).

Unemployment Rate (Unadjusted)

	Apr. 2014	Mar. 2015	Apr. 2015**
San José Metropolitan Statistical Area*	5.1%	4.2%	4.0%
State of California	7.2%	6.5%	6.1%
United States	5.9%	5.6%	5.1%

* San Benito and Santa Clara Counties
 ** Preliminary Estimate
 Source: California Employment Development Department

Monthly Unemployment - San Jose MSA

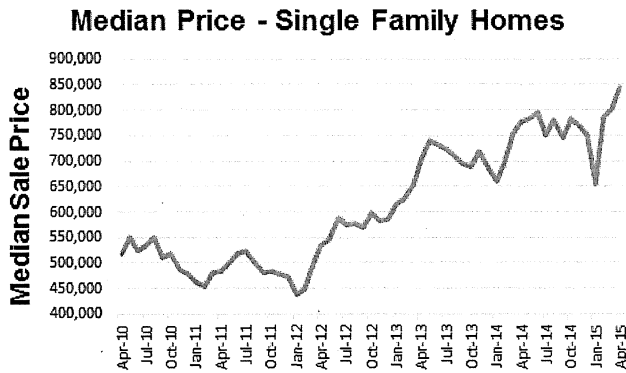


New residential construction activity is lower than prior year levels (\$436.8 million in 2014-2015 compared to \$600.4 million in 2013-2014), with a decrease in the number of dwellings (3,127 in 2014-2015 compared to 3,783 in 2013-2014). Valuation for alteration activity, however, increased approximately 15.5% from \$88.4 million in 2013-2014 to \$102.1 million in 2014-2015.

OVERVIEW (Cont'd.)

Overall, industrial construction valuation is lower than last year (\$296.0 million in 2014-2015 compared to \$412.9 million in 2013-2014). Commercial construction valuation is also lower than last year (\$267.5 million in 2014-2015 compared to \$344.7 million in 2013-2014) primarily as a result of the construction of the San José Earthquakes stadium in 2013-2014. Although lower than the peak levels of 2013-2014, the construction activity in 2014-2015 remains above 2012-2013 levels.

Private Sector Construction Activity (Valuation in \$ Millions)			
	July-Apr. 2013-2014	July-Apr. 2014-2015	% Increase/ (Decrease)
Residential	\$688.9	\$538.9	(22%)
Commercial	\$344.7	\$267.5	(22%)
Industrial	\$412.9	\$296.0	(28%)



The local real estate market continues to see rising sale prices, and reversing the recent trend, the number of sales have begun to rise again. The median single-family home price in April 2015 of \$845,000 is up 8.8% from the April 2014 price of \$776,500. The April 2015 number of property transfers of 839 is up almost 14.5% when compared to the 733 sales that occurred in April 2014. In addition, the average days-on-market for single-family and multi-family dwellings in April 2015 was 22

days, a 17.0% decrease from the 27 days experienced in April 2014.

While growth has been strong within the region, growth has been slower nationally. As an example, the consumer confidence which increased in March, declined in April. According to Lynn Franco, Director of Economic Indicators for the Conference Board, the consumer confidence index indicates that “Consumer confidence, which had rebounded in March, gave back all of the gain and more in April. This month’s retreat was prompted by a softening in current conditions, likely sparked by the recent lackluster performance of the labor market and the apprehension about the short-term outlook. The Present Situation Index declined for the third consecutive month. Coupled with waning expectations, there is little to suggest that economic momentum will pick up in the months ahead.”

As suggested by a number of economic indicators, the local economy continues to experience growth, although the rate of growth in some areas has slowed somewhat in comparison to 2013-2014. These economic conditions were taken into consideration when developing the recommended year-end modifications to several General Fund revenue estimates described in the 2014-2015 Year-End Budget Clean-Up memorandum, to be considered by the City Council on June 16, 2015 (Item 3.5) and in the development of the 2015-2016 Proposed Budget.

GENERAL FUND

REVENUES

General Fund revenues through April 2015 totaled \$831.8 million, which represents an increase of \$110.0 million (15.2%) from the April 2014 level of \$721.7 million. Both the current and the prior fiscal year include borrowing proceeds from the Tax and Revenue Anticipation Notes (TRANS) issued for cash flow purposes (\$100 million annually in both fiscal years).

Several categories are currently tracking above prior year levels, including Property Tax, Sales Tax, Telephone Line Tax, Transient Occupancy Tax, Franchise Fees, Business Taxes, Fines, Forfeitures and Penalties, Use of Money and Property, Revenue from Local Agencies, Revenue from the State of California, Transfers and Reimbursements, and Other Revenue. The higher collections in these categories are partially offset by lower collections in a number of categories, including Utility Tax, Licenses and Permits, and Revenue from the Federal Government.

Overall, General Fund revenues are tracking to exceed budgeted estimates. Year-end adjustments are recommended to align the budget with current projections, increasing revenues by \$22.6 million (excluding net-zero adjustments to grants/reimbursements/fees of \$14.9 million). The largest adjustment is a \$13.6 million increase to Property Tax estimate discussed in detail below. Of the additional revenue that is recommended to be recognized, \$19.8 million is recommended to be allocated to establish a 2014-2015 Ending Fund Balance Reserve as assumed in the development of the 2015-2016 Operating Budget.

The following discussion highlights General Fund revenue activities through April.

KEY GENERAL FUND REVENUES

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Property Tax	\$ 233,973,240	\$ 221,573,649	\$ 160,873,116

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), and Homeowners Property Tax Relief. Through April, \$221.6 million has been received, reflecting 94.7% of the 2014-2015 budget for this category. Overall, it is anticipated that property tax receipts will exceed budgeted estimates by year-end and a \$13.6 million (from \$234.0 million to \$247.6 million) increase in this category is included in the 2014-2015 Year-End Budget Clean-Up memorandum to align budgeted estimates with projected receipts.

GENERAL FUND (Cont'd.)

The **Secured Property Tax** budget estimate of \$215.2 million was based on the assumption that collections would increase approximately 6% in 2014-2015 over the 2013-2014 collection level of \$203.1 million. However, based on the latest estimate from the County of Santa Clara, receipts in this category are expected to reach \$224.5 million, an increase of over 10% from the prior year and \$9.3 million above the budgeted estimate. This estimate takes into account an anticipated one-time payment to the City as a result of excess Educational Revenue Augmentation Fund (ERAF). Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it. In 2013-2014, the City received over \$200,000 from excess funds in 2012-2013. Currently, the County of Santa Clara anticipates approximately \$56.0 million in excess ERAF for Santa Clara County from 2013-2014. Of this amount, it is anticipated that the City will receive approximately \$6.0 million. The one-time excess ERAF payment accounts for approximately 3% of the growth in the Secured Property Tax category in 2014-2015. Based on current projections, a \$9.3 million upward adjustment to the Secured Property Tax estimate is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

In the **Unsecured Property Tax** category, collections of \$13.2 million were above prior year collections of \$12.4 million in 2013-2014. Historically, all of the payments in this category are received by April. Therefore, it is anticipated that receipts in this category will be above the budgeted estimate of \$12.9 million by approximately \$325,000 and an upward adjustment is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

For the **SB 813 Property Tax** category, collections of \$4.4 million through April were 68.0% above prior year levels of \$2.6 million. Based on the County's most recent estimate received in May 2015, collections are anticipated to reach \$6.5 million, \$3.7 million above the current budgeted estimate of \$2.8 million previously provided by the County, and 30.2% above the prior year collection level of \$5.0 million based on the strength of the real estate market and the completion of prior year adjustments. The 2014-2015 Budget Clean-Up memorandum includes an increase of \$3.7 million to this revenue estimate.

Aircraft Property Tax receipts through April totaled \$2.33 million, and are slightly above the budgeted estimate of \$2.2 million, and reflects growth of 9.4% over prior year receipts. Similar to Unsecured Property Tax, receipts through April typically account for all the annual revenue for this category. Therefore, an \$185,000 upward adjustment is recommended in the 2014-2015 Year-End Budget Clean-Up memorandum to bring the budgeted estimate in line with actual collections.

Homeowners Property Tax Relief revenue is projected to total \$1.03 million in 2014-2015, which is slightly higher than the budgeted estimate of \$1.03 million.

GENERAL FUND (Cont'd.)

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Sales Tax	\$ 180,024,000	\$ 130,982,599	\$ 106,315,107

The Sales Tax category includes General Sales Tax and Proposition 172 Sales Tax. Overall, revenues are projected to end the year at the budgeted estimate.

The 2014-2015 Adopted Budget estimate for **General Sales Tax** of \$174.2 million requires growth of 3.7% from the 2013-2014 year-end figure of \$168.0 million. Collections in 2014-2015 will be impacted by prior year accrual adjustments (additional \$835,000), one-time Sales Tax correction payment from the State of (\$682,000), and the Triple Flip payment from the State which was lower (\$1.5 million) than estimates used in the development of the 2014-2015 Adopted Budget. The first quarter 2014-2015 General Sales Tax revenues were up 6.3% from the same quarter in the prior year; however, the second quarter receipts were only up 2.4% from the same quarter in the prior year compared to a budgeted estimate of 4%. When comparing San José's second quarter cash receipts to those of other jurisdictions, San José's growth of 2.4% was below the growth level of the State as a whole (up 4.0%), Northern California (3.0%), San Francisco Bay Area (3.9%), and Santa Clara County (5.6%). Data for the third quarter 2014-2015 will be available in June 2015.

As described in the Bi-Monthly Financial Report for January/February 2015, the City's Sales Tax consultant, MuniServices, provided the City with economic performance data for the second quarter of 2014-2015. This data is considered to be a more accurate measure of the actual sales tax activity in San José for a particular period as it measures sales tax receipts, excluding State and county pools, and adjusts for anomalies, payments to prior periods, and late payments. On a local economic basis, growth of 3.2% was realized in the second quarter. As shown in the chart on the following page, this growth was the result of flat to modest growth in the three largest economic sectors followed by strong growth in the next couple of sectors, including Food Products (up 9.8%) and Construction (up 4.8%).

**Sales Tax Revenue Economic Performance
 October 2014 – December 2014**

Economic Sector	% of Total Revenue	% Change Oct. – Dec. 2014 to Oct. – Dec. 2014
General Retail	29.2%	2.2%
Business to Business	22.5%	2.1%
Transportation	21.3%	0.0%
Food Products	16.4%	9.8%
Construction	9.9%	4.9%
Miscellaneous	0.7%	2.8%
Total	100.0%	3.2%

GENERAL FUND (Cont'd.)

Through April, the **Proposition 172 Sales Tax** receipts of \$4.4 million were up 6.4% from the same period in the prior year (\$4.1 million). The 2014-2015 budgeted estimate of \$5.8 million requires growth of 7.0% from the 2013-2014 collection level of \$5.4 million. Based on current collection trends, it is anticipated that collections may come in at budgeted estimates this year.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Transient Occupancy Tax	\$ 13,000,000	\$ 10,824,815	\$ 8,720,837

Through April, receipts recorded in the General Fund of \$10.8 million are 24.1% above the prior year's collections for the same period. Once adjusted for compliance revenue (\$185,000), regular TOT collections are up 25.3% above adjusted prior year levels. Based on the current trend, growth is estimated to exceed the 9.5% increase needed to meet the current 2014-2015 Modified Budget of \$13.0 million. Therefore, an increase of \$1.2 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum for Transient Occupancy Tax, of which \$1.1 million will be added to the Cultural Facilities Capital Maintenance Reserve to be used for future capital rehabilitation at the City's cultural facilities. With this adjustment, growth of approximately 20% is needed in 2014-2015 to meet the revised estimate.

Through April, the average hotel occupancy rate at the 14 major hotels was 75.3%, an improvement from the 69.4% occupancy rate for the same period in 2013-2014. For the same 14 hotels, the average daily room rate through April was \$171.69, up 11.9% from the \$153.48 room rate for the same period in 2013-2014. The year-to-date average revenue-per-available room (RevPAR) metric of \$129.48 represents an increase of 22.7% from the prior year level.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Franchise Fees	\$ 45,346,879	\$ 35,548,550	\$ 31,482,646

Franchise Fees are collected in the Electric, Gas, Cable, Tow, Commercial Solid Waste, Water, and Nitrogen Gas Pipeline categories. Through April, Franchise Fee receipts of \$35.5 million were 12.9% above last year's collection level of \$31.5 million. Overall, it is anticipated that revenues will exceed the current budgeted estimate of \$45.3 million.

Electric and Gas Franchise Fees provided by Pacific Gas & Electric (PG&E) are based on the revenues of that company in a calendar year (revenues in 2014-2015 are based on the calendar year 2014). Actual Electric Franchise Fee collections of \$15.1 million are tracking 2.9% over prior year collections. Gas Franchise Fee collections of \$3.8 million are tracking 1.4% below prior year collections. Although revenues through April reflect only three of four annual payments, the fourth and final payment was received in May and once adjusted for this, revenues are anticipated

GENERAL FUND (Cont'd.)

to end the year at the budgeted estimate of \$4.7 million for the Gas Franchise Fee category and above the budgeted estimate of \$19.2 million for the Electric Franchise Fee category. Therefore, an increase of \$624,000 is included in the 2014-2015 Year-End Budget Clean-Up memorandum for Electric Franchise Fees (from \$19.2 million to \$19.8 million).

Commercial Solid Waste Fees of \$8.4 million through April are above prior year levels of \$7.4 million. Collections are expected to slightly exceed the budgeted estimate of \$11.2 million by \$11,000 to be received from smaller, non-exclusive haulers, which is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

Cable Franchise Fees of \$7.4 million are 59.5% above the prior year level of \$4.6 million. While the majority of this increase is the result of timing differences for payments, receipts are tracking to exceed the current budgeted estimate. An increase of \$700,000 is included in the 2014-2015 Year-End Budget Clean-Up Review memorandum for Cable Television (from \$9.1 million to \$9.8 million) to reflect this higher collection level.

Collectively, all other franchise fees including Tow, Water, and Nitrogen Gas Pipeline are tracking to end the year around budgeted estimates.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Utility Tax	\$ 94,825,000	\$ 70,768,949	\$ 72,088,553

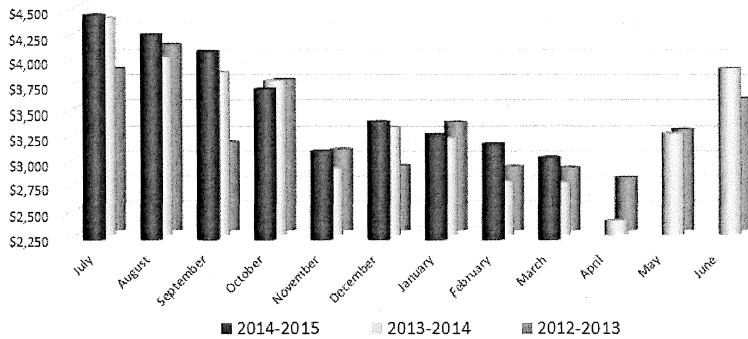
Through April, Utility Tax receipts of \$70.8 million were tracking below last year's collection level of \$72.1 million. The 2014-2015 Adopted Budget estimate requires an increase of 1.8% from the prior year collection level. Overall, based on the current collection trends, Utility Tax receipts are tracking to fall slightly below budgeted levels.

Utility Taxes Actual Collections
 (\$'s in thousands)

Utility Taxes	2013-2014 Actuals	2014-2015 Adopted Budget	April 2014 Actuals	April 2015 Actuals	% Change
Electricity	\$40,892	\$41,300	\$31,332	\$32,578	4.0%
Gas	8,766	9,100	6,908	6,744	-2.4%
Water	11,383	11,400	8,724	8,701	-0.3%
Telephone	32,753	33,025	25,125	22,746	-9.5%
TOTAL	\$93,794	\$94,825	\$72,089	\$70,769	-1.8%

GENERAL FUND (Cont'd.)

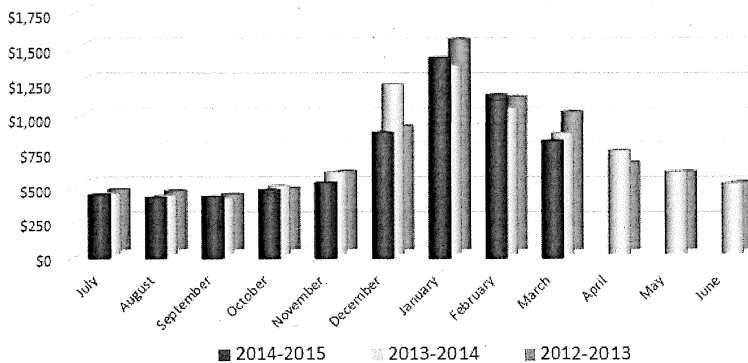
Electric Utility Tax Collections
 (Monthly \$'s in thousands)



- **Electricity Utility Tax** collections of \$32.6 million are 4.0% above prior year levels. Collections are on pace to exceed the 1.0% growth necessary to meet the 2014-2015 Adopted Budget estimate. Rate cases approved by the California Public Utility Commission (CPUC) included increases in both October 2014 as well as January 2015. Based on an

increase the budgeted estimates by \$1.4 million to \$42.7 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

Gas Utility Tax Collections
 (Monthly \$'s in thousands)

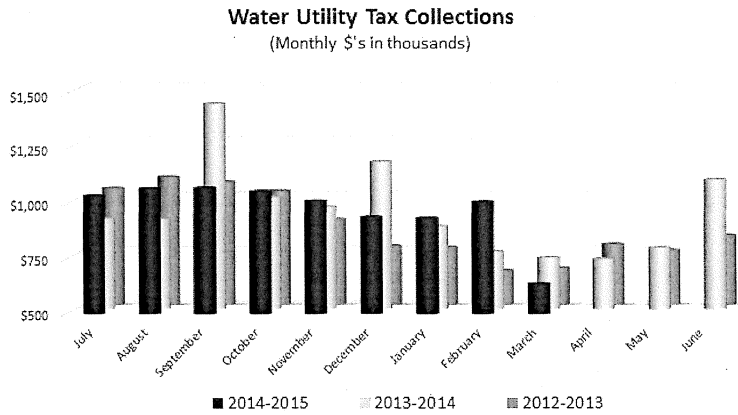


- **Gas Utility Tax** collections of \$6.7 million are 2.4% below prior year receipts. This falls short of the 3.8% growth necessary to meet the 2014-2015 Adopted Budget estimate. Recent rate cases approved by the CPUC may result in higher revenue collections through the remainder of the year. Gas Utility Tax receipts are subject to significant fluctuations from the impact

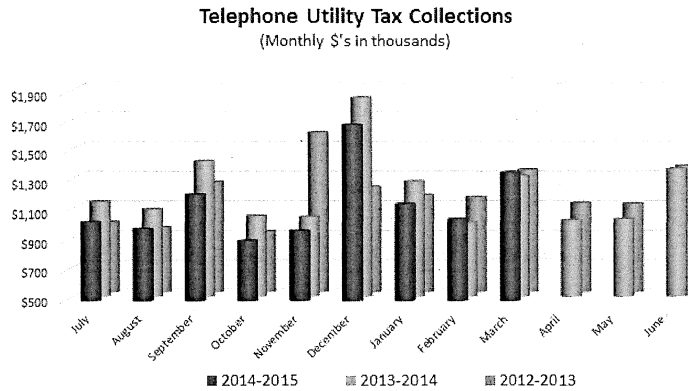
of weather conditions and/or rate changes. Based on current collections, receipts are anticipated to fall below budgeted levels. Therefore, a downward adjustment to the budgeted estimate of \$450,000 from \$9.1 million to \$8.7 million has been included in the 2014-2015 Year-End Budget Clean-Up memorandum.

GENERAL FUND (Cont'd.)

- Collections of \$8.7 million reflect a 0.3% decline in **Water Utility Tax** collections from prior year collections. Collections can remain flat to meet the budgeted estimate. The CPUC recently settled a rate case submitted by San Jose Water approving the following rate adjustments: August 2014, 10% increase; September 2014, 10%-11% increase; January 2015, 3% increase. However, consumption levels are down due to the significant measures taken to reduce water usage to address the California drought. Collections are currently anticipated to meet the 2014-2015 Adopted Budget estimate of \$11.4 million by year end.



- **Telephone Utility Tax** primarily consists of three revenues: telephone, cellular, and Voice over Internet Protocol (VoIP). Collections of \$22.7 million are tracking 9.5% below prior year levels primarily due to lower telephone and cell phone receipts. Based on current collections, it is estimated that receipts will end the year below budgeted levels, and a downward adjustment to the budgeted estimate of \$2.4 million from \$33.0 million to \$30.7 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum.



Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Business Taxes	\$ 43,700,000	\$ 37,664,297	\$ 35,951,767

This category consists of the following: Business Tax, Cardroom Tax, Marijuana Business Tax, and Disposal Facility Tax. Through April, overall collections of \$37.7 million are tracking above prior year collection levels, reflecting higher collections in General Business Tax, Disposal Facility Tax and Cardroom Tax categories, offset by lower collections in Marijuana Business Tax.

GENERAL FUND (CONT'D.)

Based on current collection trends, it is anticipated year end collections will exceed budgeted estimates and a net increase of \$2.7 million is recommended in the 2014-2015 Year-End Budget Clean-Up memorandum.

The chart below outlines the four types of revenue in the Business Tax category and provides a comparison of 2013-2014 actuals to the 2014-2015 budget as well as collections through April in both the current and prior year.

Business Taxes	Business Taxes Actual Collections (\$'s in thousands)				
	2013-2014 Actuals	2014-2015 Adopted Budget	April 2014 Actuals	April 2015 Actuals	% Change
Cardroom Tax	\$16,325	\$16,000	\$12,227	\$12,656	3.5%
Marijuana Business Tax	6,061	6,000	4,593	4,121	-10.3%
General Business Tax	10,859	11,000	10,794	11,751	8.9%
Disposal Facility Tax	12,233	10,700	8,338	9,136	9.6%
TOTAL	\$45,478	\$43,700	\$35,952	\$37,644	4.8%

- **Cardroom Tax** receipts through April of \$12.7 million are 3.5% above prior year levels. Revenues are anticipated to end the year above budgeted levels, and an adjustment to increase the revenue estimate by \$900,000 from \$16.0 million to \$16.9 million has been included in the 2014-2015 Year-End Budget Clean-Up memorandum.
- **Marijuana Business Tax** receipts of \$4.1 million are tracking 10.3% below the \$4.6 million collected during the same period last year. Based on current collection trends, it is anticipated that receipts will fall approximately \$800,000 below the budget estimate, therefore, a downward adjustment to the revenue estimate from \$6.0 million to \$5.2 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum.
- **General Business Tax** receipts of \$11.8 million are 8.9% above prior year levels. It is anticipated that collections will exceed the budgeted estimate by \$800,000, therefore an adjustment to increase the revenue estimate from \$11.0 million to \$11.8 million is included in the 2014-2015 Year End Budget Clean-Up memorandum.
- **Disposal Facility Tax (DFT)** revenue of \$9.1 million through April is tracking 9.6% above the prior year levels. This increase primarily reflects increased activity from neighboring agencies dumping in San José landfills. Based on the current collection trends, Disposal Facility Taxes are anticipated to exceed the budgeted estimate. The 2014-2015 modified budget estimate of \$10.5 million was built on the assumption that revenues would fall due to improvements in the processing of waste for the commercial program as well as the historical downward trend in this category. Based on current tracking, an increase of \$1.8 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

GENERAL FUND (CONT'D.)

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Licenses and Permits	\$ 46,395,293	\$ 41,920,756	\$ 43,362,934

This category includes Building Permits, Fire Permits, and Other Licenses and Permits. Through April, Licenses and Permits revenue of \$41.9 million tracked 3.3% below the prior year level of \$43.4 million. While development-related revenues are tracking below the extremely high levels experienced in 2014-2015, activity in this area remains strong and collections are expected to meet or exceed budgeted estimates by year-end. It is anticipated that upward adjustments to this revenue category, offset by development fee related expenditures or increases to development fee reserves, will be brought forward during 2014-2015.

Following is a discussion of the major components of this category.

- Building Permit** Building Permit revenues of \$23.1 million through April are tracking 10.5% below the 2013-2014 collection level of \$25.8 million for the same period. As expected, year-to-date permit activity in all three categories (residential, commercial, and industrial) is lower than the peak levels experienced through the same period last year. The 2014-2015 budgeted revenue estimate assumed a lower collection level and allows for a decline of 21.1% from the prior year actuals. Because actual receipts have not dropped to the extent allowed in the budget, collections are expected to exceed the budgeted estimate by approximately \$3.0 million. Therefore, as part of the 2014-2015 Year-End Budget Clean-Up memorandum, actions are recommended to recognize the additional revenues of \$3.0 million, as well as recognize anticipated expenditure savings of \$1.3 million, and allocate those funds to the Building Development Fee Program Reserve. (\$4.3 million).
- Through February, **Fire Permit** collections of \$9.2 million were below prior year levels (\$9.5 million). However, the 2014-2015 budgeted revenue estimate of \$11.1 million is at the prior year collection level. This category consists of development and non-development related permits. Development related receipts of \$5.2 million through April are tracking 7.6% below the 2013-2014 collection level of \$5.6 million for the same period, while the budgeted estimate of \$7.0 million allows for a drop of 1.8%. Based on current collection trends, it is anticipated that Fire development-related revenues will fall below the budget estimate by \$500,000. Therefore, as part of the 2014-2015 Year-End Budget Clean-Up memorandum, actions are recommended decrease the revenue estimate by \$500,000, offset by a reduction to the Fire Development Fee Program Reserve.

At this time, the Fire non-development fee program revenues of \$4.1 million represent the major billing cycles for non-development fire permits for this fiscal year. Collections are currently at the budgeted estimate of \$4.1 million.

GENERAL FUND (CONT'D.)

- The **Other Licenses and Permits** collections of \$9.5 million are tracking 18.3% above the 2014-2015 collection level of \$8.1 million. Receipts are expected to meet the budgeted estimate of \$9.6 million by year-end.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Revenue from Local Agencies	\$ 27,307,083	\$ 5,709,075	\$ 5,236,694

Revenues in this category are provided by many local agencies. The largest sources include reimbursement from the Successor Agency to the Redevelopment Agency of the City of San José (Successor Agency), a public entity, reimbursement from the Central Fire District for fire services provided by the City to County properties, and reimbursement for the City's Paramedic Program. Revenues of \$5.7 million are 9.0% higher than prior year levels of \$5.2 million. Overall, revenues are expected to end the year above budgeted levels as a result of reimbursements for the City's Paramedic Program from the County of Santa Clara (\$1.5 million), higher than anticipated Central Fire District payments, and an anticipated reimbursement from the Successor Agency (\$10.3 million).

The largest revenue estimate in the Revenue from Local Agencies is a reimbursement from the Successor Agency to the Redevelopment Agency for the Convention Center debt service payment. As part of the 2014-2015 Year-End Budget Clean-Up memorandum, net-zero actions are recommended to increase the subsidy to the Successor Agency and the reimbursement from the Successor Agency by \$10.3 million. As outlined in the approved reimbursement agreement between the Successor Agency and the City, it is anticipated that the City will be reimbursed for the subsidy provided to the Successor Agency for City supported obligations (excluding administrative costs).

Additionally, an increase in the revenue estimate in the amount of \$1.7 million is included as part of the 2014-2015 Year-End Budget Clean-Up memorandum to reflect a \$1.5 million reimbursement from the County of Santa Clara for the first responder advanced life support program (Paramedic Program) (from \$0 to \$1.5 million), based on the Second Amendment to the 9-1-1 Emergency Medical Services (EMS) Provider Agreement between the City and the County. An increase in the estimated reimbursement from the Central Fire District is also recommended (\$300,000, from \$5.4 million to \$5.7 million) for the County areas covered by the San José Fire Department. These payments are based on the property tax assessments for fire services collected in those areas, which are passed on to the City. These increases are partially offset by a decrease in estimated revenues from Animal Services reimbursements from other agencies (\$134,000, from \$1.1 million to \$1.0 million).

GENERAL FUND (CONT'D.)

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Revenue from the Federal Government	\$ 15,509,659	\$ 5,960,431	\$ 9,571,594

Revenues in this category are provided by several federal agencies, with the largest sources including reimbursement for the United States Patent and Trademark Office for capital project costs and the Fire Staffing for Adequate Fire and Emergency Response (SAFER) Grant. Through April, revenues totaled \$6.0 million and are 37.7% lower than prior year levels of \$9.6 million. Overall, however, revenues are anticipated to end the year above budgeted levels. As part of the 2014-2015 Year-End Budget Clean-Up memorandum, actions are recommended to increase the revenue estimate by \$1.9 million (from \$15.5 million to \$17.4 million) to reflect additional revenues associated with the Fire Department SAFER Grant. This action brings the revenue estimate in-line with the SAFER grant extension that was granted in September 2014.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Departmental Charges	\$ 39,743,435	\$ 34,859,083	\$ 34,705,623

Through April, Departmental Charges revenues of \$34.9 million were tracking 0.4% above the 2013-2014 collection level of \$34.7 million. The 2014-2015 Adopted Budget estimate, however, allows for a decline of 4.7% from the prior year actual receipts. The increase from prior year continues to reflect growth in departmental charges categories, such as Public Works, Library, Parks, Recreation, and Neighborhood Services, and Miscellaneous Department Charges. Based on current tracking, Department Charges revenues are anticipated to slightly exceed the budgeted estimate by year-end and various actions are recommended in the 2014-2015 Year-End Budget Clean-Up memorandum to more accurately align the budgeted estimate with tracking.

While tracking below the prior year levels, development-related activity continues to show strong collections and are expected to meet the budgeted estimates.

- Through April, **Planning Fee** revenues of \$4.1 million are 1.3% above the prior year collection level of \$4.0 million. The adopted Planning Fee revenue estimate of \$3.6 million allows for a drop of 24.0% from prior year actuals. Overall revenue collections are tracking above estimated levels, and it is anticipated that Planning Fee revenues will exceed the budget estimate by \$1.0 million. Therefore, as part of the 2014-2015 Year-End Budget Clean-Up memorandum, actions are recommended to recognize the additional revenues of \$1.0 million, as well as recognize anticipated expenditure savings of \$225,000, and allocate those funds to the Planning Development Fee Program Earmarked Reserve (\$1.2 million).

GENERAL FUND (Cont'd.)

- **Public Works** revenues through April of \$7.2 million are below the prior year level of \$7.9 million (approximately 9.6%). The budgeted estimate allows for a drop of 1.3%. Revenues in most residential categories are tracking below estimated levels due to fewer single-family and multi-family residential projects that were received. Non-residential revenues are performing at or slightly above anticipated levels. At this time, collections may fall below the budgeted revenue estimate of \$9.6 million by approximately \$250,000.

Revenue	2014-2015 Estimate	YTD Actual	Prior YTD Collections
Transfers and Reimbursements	\$ 73,392,139	\$ 61,838,109	\$ 56,872,642

This category includes overhead reimbursements from operating and capital funds, transfers, and other reimbursements. Collections of \$61.8 million through April are tracking 8.7% above the prior year level of \$56.9 million. Receipts in this category are expected to exceed the budgeted estimate by approximately \$1.5 million due to higher estimated Gas Tax reimbursements (\$2.4 million), partially offset by lower estimated capital overhead reimbursements (\$0.5 million) and lower estimated transfers from the Parks Construction and Conveyance (C&C) Tax Fund for parks maintenance (\$0.4 million) based on lower projected C&C Tax receipts. To reflect this revised estimate, a net upward adjustment of \$1.5 million is included in the 2014-2015 Year-End Budget Clean-Up memorandum.

Overhead reimbursements of \$34.0 million are tracking 2.7% above the prior year level of \$33.1 million. However, growth of 4.4% is needed to meet the budgeted estimate of \$38.1 million. Based on current collection trends, the capital overhead reimbursements may fall below the budgeted estimate of \$11.3 million by approximately \$500,000.

Transfers from other funds total \$14.2 million through April and are tracking fall slightly below the budgeted estimate of \$19.6 million primarily due to a lower estimate for the transfer from the Construction and Conveyance (C&C) Tax Fund (\$393,000, from \$3.8 million to \$3.4 million) based on lower projected C&C Tax collections, as 15% of the C&C Tax receipts allocated to Parks is transferred to the General Fund to cover operating and maintenance expenses.

Gas Tax reimbursements of \$13.2 million through April are tracking significantly above the prior year level of \$10.2 million. Based on current collection trends, receipts are projected to end approximately \$2.4 million above the \$15.0 million budgeted estimate.

GENERAL FUND (Cont'd.)

EXPENDITURES

Through April, General Fund expenditures (without encumbrances) of \$817.7 million were 9.9% above the prior year level of \$735.1 million. Encumbrances of \$45.8 million were 52.2% above the prior year level of \$30.1 million, which is primarily the result of a \$12.0 million encumbrance for the Energy and Utility Conservation project. Expenditures and encumbrances (\$853.3 million) through April constitute 63.7% of the total 2014-2015 revised budgeted uses of funds (\$1.3 billion, including reserves; \$1.13 billion, or 75.4%, excluding reserves). Overall, expenditures are tracking within estimated levels through April and savings are anticipated by year-end.

Overall, departmental and non-departmental budgets are tracking to end the year with savings; however, there are a few instances where expenditures in particular appropriations are tracking above estimated levels. As part of the 2014-2015 Year-End Budget Clean-Up memorandum, all of the appropriations that are tracking to end the year above the budget are recommended to be adjusted in order to ensure expenditures remain within appropriated levels. These adjustments can be offset by net-zero shifts between departmental appropriations, expenditure savings in other areas, and excess revenues.

KEY GENERAL FUND EXPENDITURES

Department	2014-2015 Budget	YTD Actual	Prior YTD Actual
Police	\$ 323,156,170	\$ 244,688,543	\$ 235,355,520

On an overall basis, the Police Department's expenditures are tracking below estimated levels through April. Personal services expenditures of \$227.0 million tracked below anticipated levels (76.3% compared to the par of 78.8%) due to lower salaries and benefits costs as a result of vacancies. The 2014-2015 Year-End Budget Clean-Up memorandum includes an action to decrease the Police Department's Personal Services budget by \$5.0 million (from \$297.5 million to \$292.5 million) to reflect projected year-end savings as a result of higher than budgeted vacancies and an analysis of year-end accrual information. These savings, which represent less than 2% of the Police Department Personal Services budget, are recommended to be reallocated to the Police Department Staffing/Operations Reserve in accordance with previous City Council direction. In the Mayor's June Budget Message for Fiscal Year 2014-2015, as approved by the City Council, one-time savings within the Police Department from unfilled positions that are not rebudgeted for police overtime or other urgent needs are also to be placed in the Police Department Staffing/Operations Reserve. The 2015-2016 Adopted Budget includes the rebudget of these additional reserve funds to 2015-2016.

GENERAL FUND (Cont'd.)

Overtime expenditures of \$22.5 million tracked above anticipated levels (90.1% compared to the par of 78.2%). Several actions approved in the 2013-2014 Annual Report and 2014-2015 Mid-Year Budget review increased the Department's overtime funding by \$8.0 million (from \$17.1 million to \$25.1 million), but based on current overtime projections, an additional net-zero increase of \$4.5 million is recommended in the 2014-2015 Year-End Budget Clean-Up memorandum to increase the overtime budget from \$25.1 million to \$29.6 million, offset by salary and benefit savings.

Overtime consists of overtime expenditures and compensatory time. The Memorandum of Agreement with the Police Officer's Association (POA) limits how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of April 2015 was 178,571 hours for sworn personnel. This represents an increase of 5,752 or 3.3% compared to the April 2014 balance of 172,819.

As of April 2015, the Department had 1,109 authorized sworn staff, of which 159 were vacant (14.3%) and 36 were in training (3.2%), leaving 914 street ready sworn positions (this includes sworn employees on disability/modified duty/other leaves) as shown in the chart below. When sworn employees on Disability/Modified Duty/Other Leaves are excluded (56), a total of 858 sworn positions were actually available.

Police Department Sworn Staffing

	2014-2015 (as of 05/15/15)
Authorized Sworn Staffing	1,109
Vacancies	(159)
Filled Sworn Staffing	950
Field Training Officer/Recruits	(36)
Street-Ready Sworn Positions	914
Disability/Modified Duty/Other Leaves	(56)
Street-Ready Sworn Positions Available	858

In order to fill the vacant sworn positions and put more Police Officers back on patrol, the Department will conduct three Police Recruit Academies in 2014-2015 (October, February, and June). The February Academy started with 22 recruits and 18 are still enrolled. The June academy is anticipated to begin with 16 recruits. Although the Department is conducting regular police officer recruit academies to hire for the sworn vacancies, the Department is anticipated to begin 2015-2016 with at least 150 sworn vacancies based on current attrition rates.

GENERAL FUND (Cont'd.)

A total of \$20.2 million (74.6%) of the Department's Non-Personal/Equipment budget was expended or encumbered through April. Excluding the remaining balances for centrally determined details, including electricity, gas, and vehicle operation and replacement, the Department has approximately \$2.8 million, or 19.1% of the non-centrally-determined appropriation available for the remainder of the fiscal year. Overall, non-personal/equipment expenditures are tracking to end the year below budget, and a portion of these savings (\$1.1 million) was rebudgeted to 2015-2016 as part of the 2015-2016 Adopted Budget to complete purchases in that year.

Department	2014-2015 Budget	YTD Actual	Prior YTD Actual
Fire	\$ 178,472,336	\$ 136,330,001	\$ 127,188,599

On an overall basis, Fire Department expenditures are tracking slightly below estimated levels. Personal Services expenditures of \$130.5 million are tracking below anticipated levels (77.3% compared to the par of 78.2%). The Fire Department's Non-Personal/Equipment budget of \$9.6 million was 73.5% expended or encumbered through April. Overall, expenditures are expected to end the year within their respective budgeted allocations. Once development fee program expenditures are excluded, personal service expenditures of \$126.8 million tracked below anticipated levels (77.3% compared to par of 78.2%) and non-personal/equipment expenditures and encumbrances of \$7.0 million were 73.8% of the budget through April.

A major cause for personal services savings is the delay in the Fire Fighter Recruit Academy. The Fire Fighter Recruit Academy scheduled for 2014-2015 will be delayed until September 2015. A portion of the funding allocated in 2014-2015 to conduct an academy (\$945,000) was rebudgeted to 2015-2016 as part of the 2015-2016 Adopted Budget to ensure sufficient funding for an academy in September 2015. Funding was also rebudgeted to conduct a Fire Engineer Academy (\$85,000) and for various training related activities (\$187,000) (Hazardous Materials Incident Response, Urban Search and Rescue, and Airport Rescue and Firefighting).

Through April, overtime expenditures of \$5.9 million tracked slightly below anticipated levels with 77.0% expended. Overtime expenditures were incurred to backfill positions due to vacancies and absences. However, with the increased fire risk due to the drought conditions currently being experienced, overtime expenditures are expected to exceed the current budget. Due to the level of sworn vacancies, an increase in the Fire Department's overtime budget was made as part of the 2014-2015 Mid-Year Budget Review and will be recommended as part of the 2014-2015 Year-End Budget Clean-up (offset by savings in salaries and benefits due to sworn vacancies). Through April, the Department had 29 sworn vacancies. The second Firefighter Recruit Academy for 2014-2015 will likely be conducted in September 2015 to fill vacancies. Disability usage through April was 26% lower than the same period in 2013-2014, while modified duty was 8% higher. Combined disability and modified duty hours through April were 13% lower than 2013-2014.

GENERAL FUND (Cont'd.)

Overtime expenditures through April however continued to track at 21% higher than the same time frame in 2013-2014.

Personal services expenditures in the Development Fee Program of \$3.7 million tracked slightly below estimated levels with 76.4% expended. Any savings realized in the Development Fee Program are returned to the Program's Earmarked Reserve.

In accordance with the City Council's approval of a March 2010 report on annual vacancy and absence rates, the Fire Department has committed to limiting administrative assignments for sworn administrative personnel for overtime control purposes. Of the 34 sworn administrative positions authorized for 2014-2015, the Fire Department had 29 sworn personnel on administrative assignments, as of the end of April 2015.

CONTINGENCY RESERVE

The General Fund Contingency Reserve was amended as part of the 2013-2014 Annual Report, increasing the reserve to \$32.7 million. This adjustment was necessary to comply with Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, that requires the Contingency Reserve to be a minimum of 3% of the operating budget. As part of the 2014-2015 Year-End Budget Clean-Up memorandum, an additional increase of \$900,000 is recommended to ensure compliance with the 3% funding requirement for the 2015-2016 Adopted Budget.

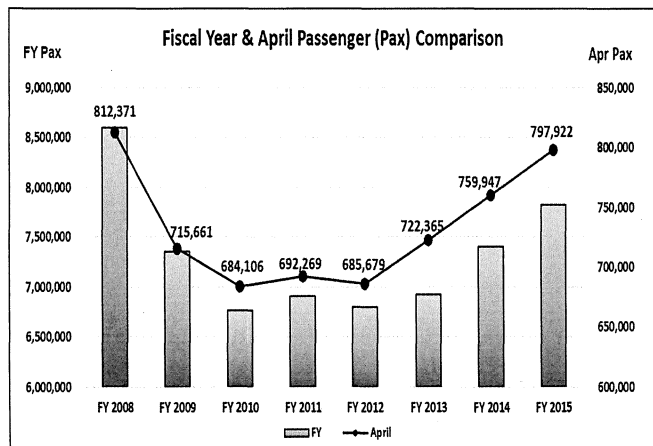
OTHER FUNDS

Airport Funds

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 7.8 million passengers, an increase of 5.7% from the figures reported through April of the prior year. Passenger growth in 2014-2015 is on pace to exceed the originally forecasted rate of 2.0% with a year-end estimate of 9.49 million.

Through April, overall revenue performance at the Airport tracked 1.0% above estimated levels. Parking and roadway tracked 4.4% higher than the benchmark substantially due to rental car concession fees and higher than anticipated passenger activity. The performance of General and Non-Aviation revenues tracked 5.6% higher than the benchmark due to higher than anticipated tenant reimbursement of terminal repair costs and interest earnings. All other revenue categories performed on target.

OTHER FUNDS (Cont'd.)



All revenue-generating activities showed increases compared to the same period of 2013-2014: Traffic Operations (landings and takeoffs) by 3.3%; Landed Weights by 1.7%; Taxicab Operations by 1.7%; Parking Exits by 2.1%; and Gallons of Aviation Fuel Sold by 5.7%. Passenger Facility Charge (PFC) revenues were 6.5% above the same period of the prior year. Fiscal year-to-date mail, freight, and cargo totaled 69.8 million pounds, which represents a 0.8% increase from April of 2013-2014.

In the Airport Maintenance and Operation Fund, Personal Service expenditures were 77.9% of budget compared to the par level of 78.2%. Non-Personal/Equipment expenditures (excluding encumbrances) were 64.4% in the Airport Maintenance and Operation Fund compared to the benchmark of 73.6%. Based on this performance, it is anticipated the \$3.0 million in savings will be achieved in the Airport Maintenance and Operation Fund. These savings are in line with the internal targets established by the Airport. Non-Personal/Equipment expenditures (excluding encumbrances) in the Airport Customer Facility and Transportation Fee Fund were 73.8% of the budget compared to a straight line benchmark of 83.3%.

Construction and Conveyance Tax Funds

Construction and Conveyance (C&C) Tax revenues continue to be extremely volatile throughout 2014-2015. Compared to prior fiscal year receipts, collection levels experienced growth from July 2014 through September 2014, then experienced declines or no growth October 2014 through January 2015. Receipts in February and April 2015, however, experienced promising growth (26.1% and 21.3%, respectively), with March 2015 experiencing a decline (25.5%) compared to prior year receipts, which brought the total revenue collections received year-to-date up to \$26.8 million (69% of the modified estimate of \$39.0 million). In addition, the City has since received May 2015 Conveyance Tax receipts totaling \$6.4 million, which represents a significant increase of 94.8% when compared to the May 2014 receipts. This high collection level is likely due to the timing of tax receipt processing, and not an indicator that revenues will continue at this significantly higher collection level.

When the 2014-2015 Adopted Budget was developed, it was assumed that C&C Tax receipts would reach \$39.0 million, which represented a 5.0% increase over the estimated 2013-2014 receipts of \$37.5 million. As 2013-2014 actual receipts of \$35.5 million fell below the estimate, growth of 9.9% is needed to meet the 2014-2015 Adopted Budget estimate. With the significant increases in the last few months, estimated receipts through May 2015 of \$33.2 million now represent a 12.5% increase from the prior year. This figure, however, includes the unprecedented May collection amount. Receipts in this category are now projected to end the year slightly below

OTHER FUNDS (Cont'd.)

the 2014-2015 budget of \$39.0 million, but above the \$35.0 million estimate used in the development of the 2015-2016 Proposed Capital Budget and 2016-2020 Proposed Capital Improvement Program. Any additional fund balance resulting from higher C&C Tax collections than used in the development of the 2015-2016 budget will be brought forward as part of the 2014-2015 Annual Report actions.

Over 99% of the total Construction and Conveyance Taxes are comprised of conveyance receipts, a tax based on the value of property transfers (sales). The local real estate market continues to see rising sale prices with the median single-family home price in April 2015 of \$845,000, up 8.8% from the April 2014 price of \$776,500. Reversing the trend experienced throughout the fiscal year, the April 2015 number of property transfers of 839 is up almost 14.5% when compared to the 733 sales that occurred in April 2014. In addition, it took less time to sell homes as the average days-on-market for single-family and multi-family dwellings in April 2015 was 22 days, a 17% decrease from the 27 days experienced in April 2014.

Other Construction-Related Revenues

Through April, revenues associated with construction activity (primarily Construction Excise Tax and Building and Structure Construction Tax) have remained strong, though at levels lower than last year's peak. Residential construction activity is 21.7% lower than the prior year level (\$538.9 million in 2014-2015 compared to \$688.8 million in 2013-2014), which was driven nearly entirely by the drop in new residential construction, including the lowest one month total for new multi-family units in the past eighteen months (February 2015). Reflective of this, valuation for new residential construction is 27.2% lower than the prior year, though alterations are up 13.4%. Overall industrial construction valuation is 28.3% lower than last year (\$296.0 million in 2014-2015 compared to \$412.9 million in 2013-2014). In addition, overall commercial construction valuation is 22.4% lower than last year (\$267.5 million in 2014-2015 compared to \$344.7 million in 2013-2014), though this activity includes an interior permit was issued for the 3rd floor of the Samsung headquarters building at 3655 First Street.

Construction activities drive revenue collection in several categories, including the Construction Excise Tax and the Building and Structure Construction Tax, and are an indicator of future activity for several other categories, such as storm and sanitary sewer system fees.

- *Construction Excise Tax* – The 2014-2015 budgeted revenue estimate for the Construction Excise Tax is \$21.0 million, a decrease of \$8.3 million (28.3%) from the record setting revenues of \$29.3 million received in 2013-2014. Receipts through April totaled \$17.9 million, which represents a decrease of 24.0% (\$5.7 million) from prior year collections through April. Due to the stronger than anticipated performance for this tax in 2014-2015, the category is currently tracking to exceed the budgeted revenue estimate.

OTHER FUNDS (Cont'd.)

- *Building and Structure Construction Tax* – The 2014-2015 budgeted revenue estimate for the Building and Structure Construction Tax is \$17.0 million, a decrease of \$5.5 million(24.4%) from the record setting revenues of \$22.5 million received in 2013-2014. Receipts through April totaled \$14.1 million, which represents a decrease of 23.8% (\$4.4 million) from prior year collections through April. The category is currently tracking to meet, and may slightly exceed, the budgeted revenue estimate.

Convention and Cultural Affairs Fund

The Convention and Cultural Affairs Fund accounts for Team San Jose's (TSJ) operation of the City's Convention and Cultural Facilities. Although operations revenues are managed directly by the operator of the Convention and Cultural Facilities, TSJ has provided financial reports reviewed by the City showing operations revenues through April of \$29.5 million, compared to the April target of \$19.9 million. The higher than anticipated revenue performance is primarily due to the increase of food and beverage and contract labor revenues driven by a greater than expected number of contracted events in the facilities managed by TSJ. Because performance in these areas determine the amount of operating subsidy to TSJ, the increased activity levels may allow for a reduction to the Convention Facilities Operations expenditure appropriation (the operating subsidy) if current trends continue. TSJ's activity will be closely monitored to determine if future downward adjustments to the operating subsidy are warranted.

Through April, expenditures of \$8.2 million were tracking at 73.8% of the budget. The largest expenditure allocations to date were paid or encumbered by TSJ and are related to the Convention Facilities Operations costs (\$2.9 million) and to TSJ for the management of the City's Convention and Cultural Facilities (\$1.0 million).

Transient Occupancy Tax (TOT) Fund

Through April 2015, receipts recorded in the TOT Fund of \$16.5 million are 25.1% above the prior year's collections of \$13.5 million for the same period. A portion of this increase is driven by an influx of TOT compliance revenue (\$277,000) and penalty payments collected (\$229,000). However, once adjusted for compliance revenues and penalty payments, receipts through April are approximately 22.0% above adjusted prior year levels. To meet the current 2014-2015 Modified Budget of \$19.6 million, year-over-year growth of 9.5% is needed. With actual growth far exceeding this level, an increase of \$1.9 million to this revenue estimate is included in the 2014-2015 Year-End Budget Clean-Up memorandum. With this adjustment, growth of approximately 20% is needed in 2014-2015 to meet the revised estimate. This higher collection level was assumed in the development of the 2015-2016 Budget and the additional revenue projected for 2014-2015 was distributed in 2015-2016. The 2014-2015 expenditure allocations to the three recipient organizations (Convention and Cultural Affairs Fund, Convention and Visitors Bureau, Cultural Grants/Programs and Services) are anticipated to be fully expended by year-end.

June 10, 2015

Subject: Bi-Monthly Financial Report for March/April 2015

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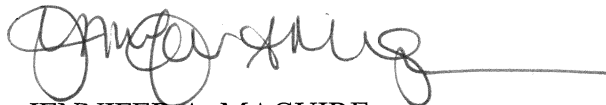
OTHER FUNDS (Cont'd.)

Through April, the average hotel occupancy rate at the 14 major hotels was 75.3%, an improvement from the 69.4% occupancy rate for the same period in 2013-2014. For the same 14 hotels, the average daily room rate through April was \$171.69, up 11.9% from the \$153.48 room rate for the same period in 2013-2014. The year-to-date average revenue-per-available room (RevPAR) metric of \$129.48 represents an increase of 22.7% from the prior year level.

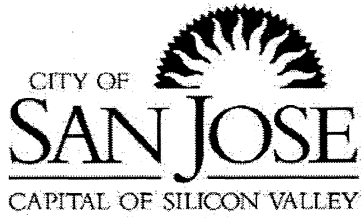
CONCLUSION

Overall, City funds are generally performing within expectations. In the General Fund, revenues are tracking to exceed budgeted estimates and expenditures are tracking to realize modest savings by year end. As discussed in this report, excess revenue, expenditure savings, and the liquidation of prior year carryover encumbrances in the General Fund were assumed as a funding source in the 2015-2016 Operating Budget. These sources were expected to generate \$25.3 million in the 2014-2015 Ending Fund Balance/2015-2016 Beginning Fund Balance and were programmed as a funding source in 2015-2016. Actual performance in 2014-2015 is estimated to meet or slightly exceed these estimates and year-end budget adjustments will be brought forward on June 16, 2015, to set aside \$19.8 million of the excess revenues in a 2014-2015 Ending Fund Balance Reserve in the General Fund. The remaining 2014-2015 Ending Fund Balance is expected to be generated from additional revenue and expenditure savings to fully meet the estimate assumed in the 2015-2016 Budget.

The 2014-2015 Year-End Budget Clean-Up memorandum scheduled for City Council consideration on June 16, 2015 (Item 3.5), includes recommendations to adjust both the General Fund and various Special and Capital Funds to align the budget with current estimates to avoid any overages in individual appropriations, and to recognize new revenues and associated expenditures or reserves. The final outcome of the 2014-2015 budget performance will be reported through the 2014-2015 Annual Report, scheduled to be released on September 30, 2015 and reviewed by the City Council in mid-October.



JENNIFER A. MAGUIRE
Senior Deputy City Manager /
Budget Director



FINANCE DEPARTMENT
Monthly Financial Report

Financial Results for the Ten Months Ended April 30, 2015
Fiscal Year 2014-2015
(*UNAUDITED*)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Ten Months Ended April 30, 2015
Fiscal Year 2014-2015
(UNAUDITED)

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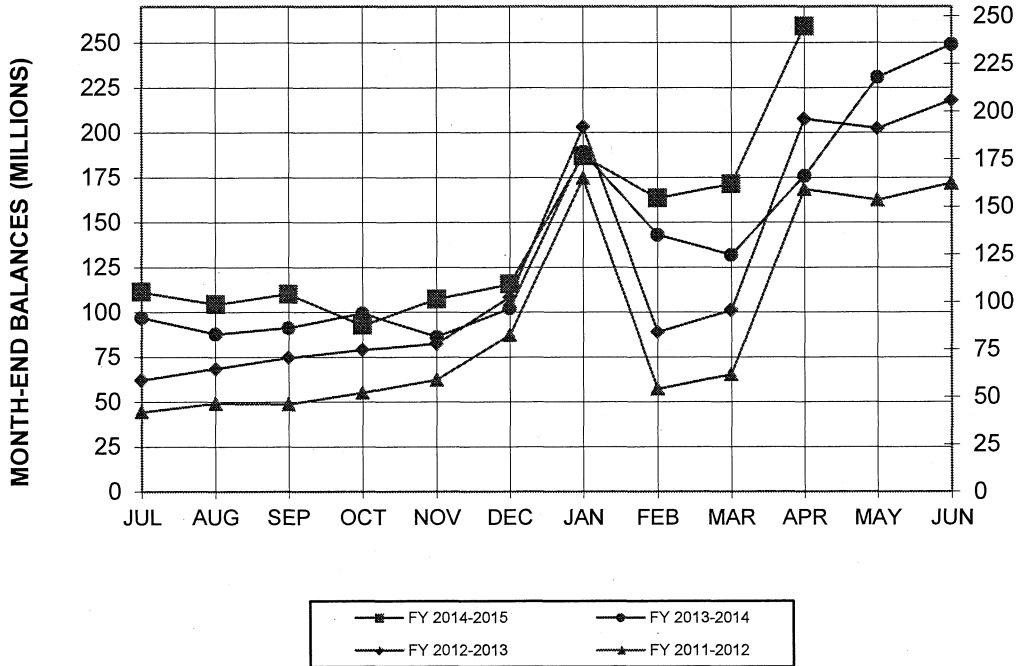
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Submitted by:



JULIA H. COOPER
Director, Finance Department

GENERAL FUND Comparison of Cash Balances



GENERAL FUND MONTHLY CASH BALANCES

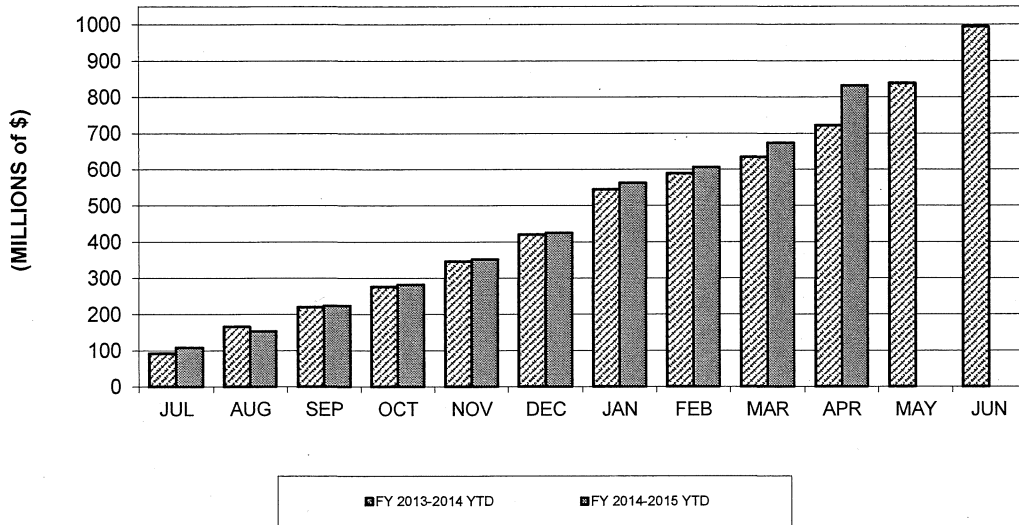
MONTH	FY 2014-2015	FY 2013-2014	FY 2012-2013	FY 2011-2012
JULY (1)	\$ 111,318,585	\$ 97,000,280	\$ 58,791,632	\$ 41,946,493
AUGUST	104,337,113	87,887,607	64,647,700	46,502,235
SEPTEMBER	110,248,937	91,326,643	70,484,194	46,218,737
OCTOBER	92,649,862	99,449,689	74,756,262	52,097,481
NOVEMBER	107,339,933	86,285,372	77,861,880	58,833,627
DECEMBER	115,544,081	102,057,315	102,312,730	82,304,186
JANUARY (3)	187,078,566	189,299,222	191,822,297	164,958,541
FEBRUARY (2)	163,468,559	143,098,965	84,006,185	54,118,810
MARCH	171,379,481	131,881,129	95,600,850	61,586,562
APRIL (3)	258,939,637	175,838,186	196,073,222	159,137,277
MAY (3)		230,678,939	191,101,640	153,526,766
JUNE		249,043,058	205,823,965	162,325,519

Note: (1) The General Fund cash balance decreases each July mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.

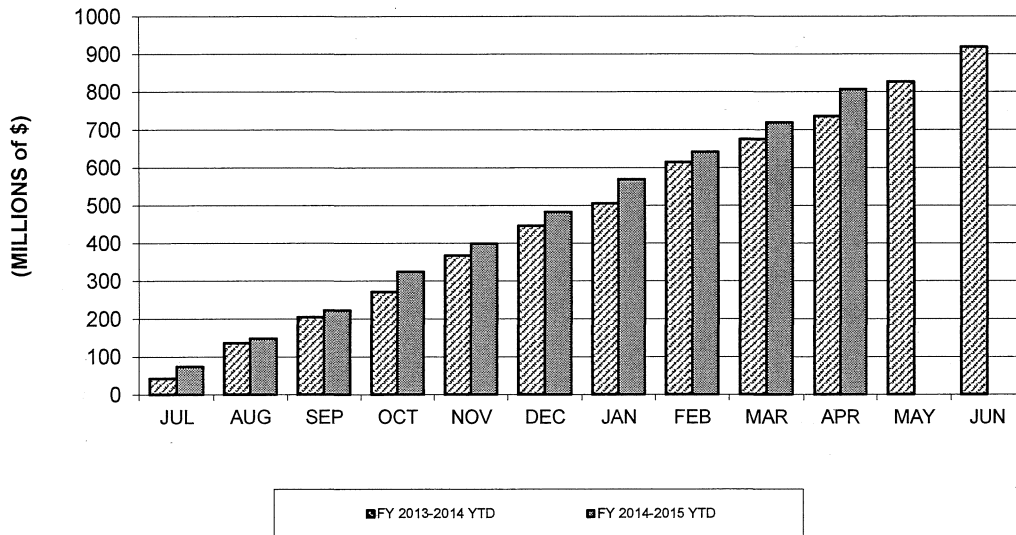
Note: (2) The General Fund cash balance decreased in the month of February for FY 2011-2012 and FY 2012-2013 mainly due to the repayment of the Tax and Revenue Anticipation Notes (TRANS) in the amount of \$100 million. Starting from FY 2013-2014, the repayments of TRANS are spread over the second half of the fiscal year.

Note: (3) The General Fund cash balance increases in January, April, or May of every year mainly due to the receipt of the property tax installments from the County of Santa Clara.

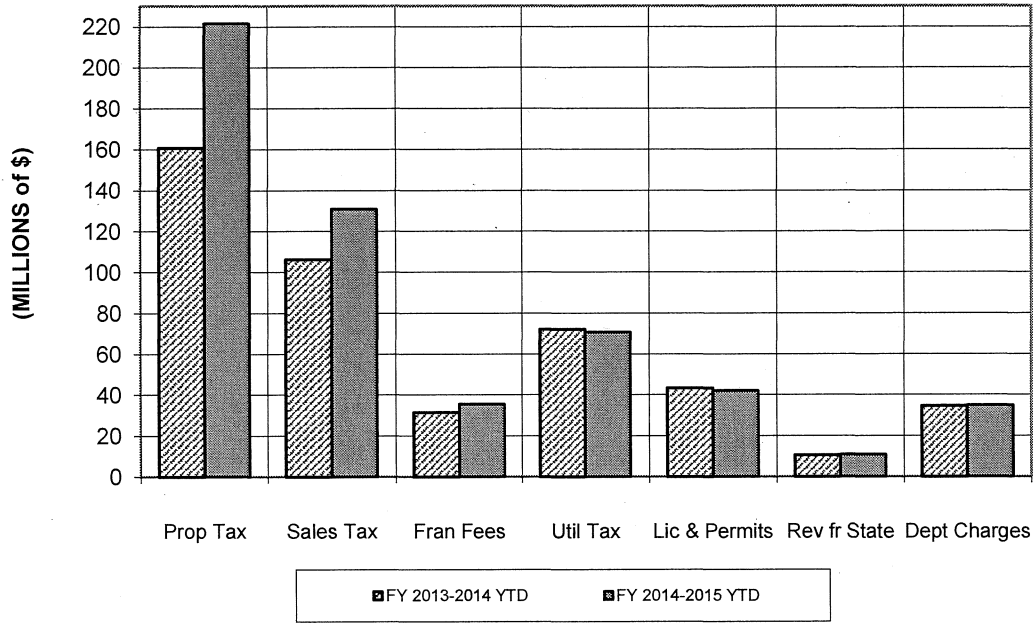
**GENERAL FUND
Comparison of YTD Revenues
Actual**



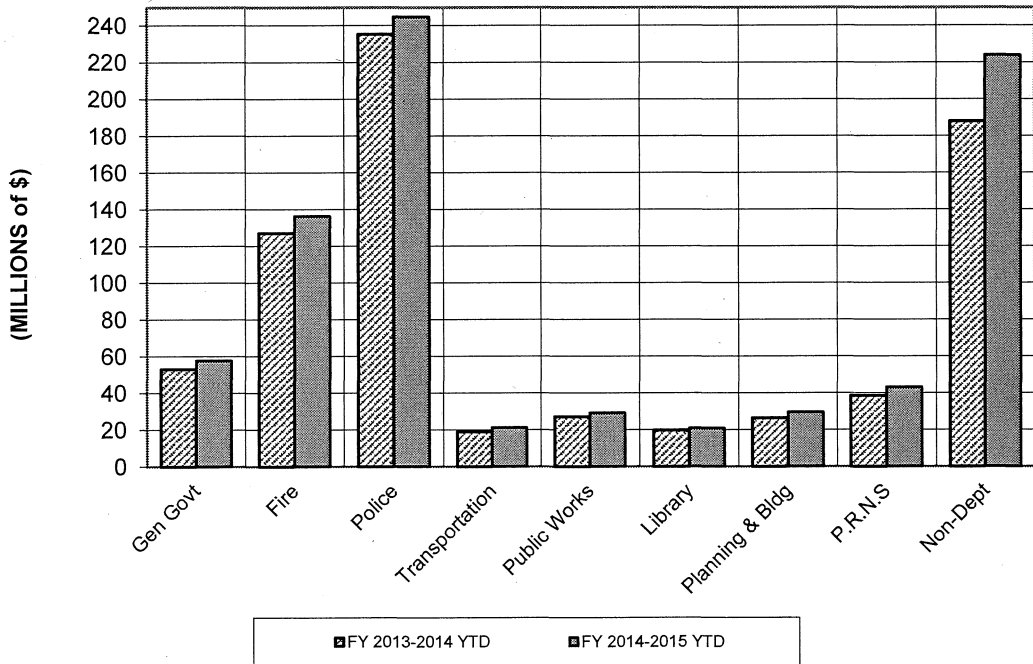
**GENERAL FUND
Comparison of YTD Expenditures
Actual**



GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual
For the Ten Months Ended April 30, 2015



GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual
For the Ten Months Ended April 30, 2015



CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)

	ADOPTED	YTD	C/O	REVISED	CURRENT	CUR YTD	PRIOR	PRIOR YTD %	PRIOR	CUR YTD LESS	% CHANGE		
	FY 2014-2015	BUDGET		FY 2014-2015	YTD	ACTUAL %	YTD	OF PRIOR	YEAR-END	PRIOR	PRIOR YTD	CUR YTD	ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ACTUAL (*)	OF BUDGET	ACTUAL(*)	ACTUAL	ACTUAL(*)	ACTUAL	LESS PRIOR	YTD	ACTUAL
Fund Balance													
Prior Year Encumbrances	-	-	40,582	40,582	40,582	100.00%	18,795	103.38%	18,181	21,787	115.92%		
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	-	-	-		
Available Balance	253,068	17,570	-	270,638	270,638	100.00%	215,181	100.00%	215,181	55,457	25.77%		
Total Fund Balance	253,068	17,570	40,582	311,220	311,220	100.00%	233,976	100.26%	233,362	77,244	33.01%		
General Revenues													
Property Tax	233,973	-	-	233,973	221,574	94.70%	160,873	71.93%	223,645	60,701	37.73%		
Sales Tax (1)	180,024	-	-	180,024	130,983	72.76%	106,315	61.31%	173,412	24,668	23.20%		
Telephone Line Tax	20,700	-	-	20,700	16,073	77.65%	15,575	75.27%	20,692	498	3.20%		
Transient Occupancy Tax	11,750	1,250	-	13,000	10,825	83.27%	8,721	73.45%	11,873	2,104	24.13%		
Franchise Fees	45,347	-	-	45,347	35,549	78.39%	31,483	68.82%	45,749	4,066	12.91%		
Utility Tax	94,825	-	-	94,825	70,769	74.63%	72,089	76.86%	93,794	(1,320)	-1.83%		
Business Taxes	43,700	-	-	43,700	37,664	86.19%	35,952	79.05%	45,478	1,712	4.76%		
Licenses and Permits	46,375	20	-	46,395	41,921	90.36%	43,363	83.37%	52,014	(1,442)	-3.33%		
Fines, Forfeits and Penalties	14,205	-	-	14,205	12,388	87.21%	11,564	77.95%	14,835	824	7.13%		
Use of Money and Property	2,847	67	-	2,914	3,655	125.43%	2,940	84.65%	3,473	715	24.32%		
Revenue from Local Agencies	22,612	4,695	-	27,307	5,709	20.91%	5,237	14.87%	35,228	472	9.01%		
Revenue from State of Cal.	11,195	1,343	-	12,538	10,952	87.35%	10,577	87.51%	12,086	375	3.55%		
Revenue from Federal Government	4,171	11,339	-	15,510	5,960	38.43%	9,572	71.73%	13,344	(3,612)	-37.74%		
Departmental Charges	39,164	579	-	39,743	34,859	87.71%	34,705	83.26%	41,683	154	0.44%		
Other Revenues	15,161	150,402	-	165,563	131,072	79.17%	115,896	85.55%	135,479	15,176	13.09%		
Total General Revenues	786,049	169,695	-	955,744	769,953	80.56%	664,862	72.05%	922,785	105,091	15.81%		
Transfers & Reimbursements													
Overhead Reimbursements	39,000	(941)	-	38,059	34,019	89.38%	33,126	90.89%	36,445	893	2.70%		
Transfers from Other Funds	19,138	420	-	19,558	14,225	72.73%	13,159	77.74%	16,926	1,066	8.10%		
Reimbursements for Services	15,776	-	-	15,776	13,593	86.16%	10,594	57.32%	18,481	2,999	28.31%		
Total Transfers & Reimburse	73,914	(521)	-	73,393	61,837	84.25%	56,879	79.16%	71,852	4,958	8.72%		
Total Sources	1,113,031	186,744	40,582	1,340,357	1,143,010	85.28%	955,717	77.83%	1,227,999	187,293	19.60%		

(1) - State Budget Balancing actions resulted in the "Triple Flip", which suspended a portion of local governments' Sales and Use Tax and Motor Vehicle License Fee revenues and replaced them with local property tax revenues. The 2014-2015 cumulative impact through April 2015 is approximately \$9.6 million.

(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain revenues and expenses are recognized on a budgetary basis but not on a GAAP basis.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)

	ADOPTED		C/O	REVISED		CUR YTD		PRIOR		PRIOR YTD %		% CHANGE	
	FY 2014-2015			FY 2014-2015		ACTUAL %		YTD		OF PRIOR		CUR YTD LESS	
	BUDGET	AMENDMENTS		BUDGET	ENCUMBR	ACTUAL(*)	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	YEAR-END	YEAR-END	PRIOR YTD	ACTUAL (1)
General Government													
Mayor and Council	11,281	279	58	11,618	6,876	76	59.18%	6,507	76.51%	8,505	369	5.67%	
City Attorney	13,295	132	359	13,786	10,208	516	74.05%	9,341	78.77%	11,859	867	9.28%	
City Auditor	2,290	-	13	2,303	1,762	13	76.51%	1,505	78.96%	1,906	257	17.08%	
City Clerk	2,512	(33)	-	2,479	1,507	68	60.79%	1,503	77.24%	1,946	4	0.27%	
City Manager	12,482	(62)	516	12,936	8,918	775	68.94%	7,451	76.60%	9,727	1,467	19.69%	
Finance	14,024	30	282	14,336	10,297	514	71.83%	9,649	79.98%	12,064	648	6.72%	
Information Technology	15,402	362	1,741	17,505	9,654	2,374	55.15%	8,757	71.76%	12,203	897	10.24%	
Human Resources	7,226	(97)	72	7,201	4,663	524	64.75%	4,242	79.20%	5,356	421	9.92%	
Independent Police Auditor	1,177	24	-	1,201	939	-	78.18%	860	77.13%	1,115	79	9.19%	
Office of Economic Development	4,297	(93)	141	4,345	3,014	93	69.37%	3,082	77.22%	3,991	(68)	-2.21%	
Total General Government	83,986	542	3,182	87,710	57,838	4,953	65.94%	52,897	77.03%	68,672	4,941	9.34%	
Public Safety													
Fire	174,283	3,373	816	178,472	136,330	1,230	76.39%	127,189	78.44%	162,151	9,141	7.19%	
Police	326,289	(3,132)	1,424	324,581	244,689	2,548	75.39%	235,356	77.76%	302,670	9,333	3.97%	
Total Public Safety	500,572	241	2,240	503,053	381,019	3,778	75.74%	362,545	78.00%	464,821	18,474	5.10%	
Capital Maintenance													
Transportation	28,344	(48)	1,207	29,503	21,233	1,645	71.97%	18,828	73.40%	25,652	2,405	12.77%	
Public Works	36,838	1,806	256	38,900	29,271	1,478	75.25%	27,018	76.18%	35,467	2,253	8.34%	
Total Capital Maintenance	65,182	1,758	1,463	68,403	50,504	3,123	73.83%	45,846	75.01%	61,119	4,658	10.16%	
Community Service													
Housing	238	1	-	239	182	5	76.15%	139	79.43%	175	43	30.94%	
Library	27,664	28	73	27,765	20,919	283	75.34%	19,859	76.68%	25,898	1,060	5.34%	
Planning, Bldg & Code Enf.	42,578	1,845	756	45,179	29,636	1,126	65.60%	26,382	78.16%	33,755	3,254	12.33%	
Park, Rec & Neigh Svcs	56,066	1,345	664	58,075	43,060	2,640	74.15%	38,649	74.97%	51,553	4,411	11.41%	
Environmental Services	703	9	18	730	308	15	42.19%	778	110.35%	705	(470)	-60.41%	
Conventions, Arts & Enter	-	-	-	-	-	-	0.00%	-	0.00%	-	-	0.00%	
Total Community Services	127,249	3,228	1,511	131,988	94,105	4,069	71.30%	85,807	76.55%	112,086	8,298	9.67%	
Total Dept. Expenditures	776,989	5,769	8,396	791,154	583,466	15,923	73.75%	547,095	77.42%	706,698	36,371	6.65%	

(1) Does not include encumbrance balance.

(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain revenues and expenses are recognized on a budgetary basis but not on a GAAP basis.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)

	ADOPTED		YTD	REVISED		CUR YTD	PRIOR	PRIOR YTD %		CUR YTD LESS	% CHANGE	
	FY 2014-2015			C/O	FY 2014-2015			ACTUAL %	YTD		OF PRIOR	PRIOR
	BUDGET	AMENDMENTS	ENCUMBR		BUDGET	YEAR-TO-DATE	ACTUAL (%)			YEAR-END		
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop.	30,127	2,823	1,552	34,502	23,274	4,100	67.46%	19,273	79.22%	24,328	4,001	20.76%
Environmental & Utility Services	1,089	968	310	2,367	1,084	172	45.80%	1,068	96.65%	1,105	16	1.50%
Public Safety	19,467	1,717	251	21,435	14,958	173	69.78%	9,677	51.50%	18,792	5,281	54.57%
Recreation & Cultural Services	9,165	636	609	10,410	5,520	1,169	53.03%	5,349	63.88%	8,373	171	3.20%
Transportation Services	5,903	504	345	6,752	4,953	519	73.36%	4,293	77.77%	5,520	660	15.37%
Strategic Support	38,039	157,303	24,891	220,233	141,300	18,777	64.16%	121,084	96.78%	125,113	20,216	16.70%
Total City-wide Expenditures	103,790	163,951	27,958	295,699	191,089	24,910	64.62%	160,744	87.73%	183,231	30,345	18.88%
Other Non-Dept Expenditures												
Capital Improvements	34,624	9,791	4,228	48,643	6,371	4,923	13.10%	2,483	76.00%	3,267	3,888	156.58%
Transfers to Other Funds	35,917	890	-	36,807	36,756	-	99.86%	24,873	99.96%	24,882	11,883	47.77%
Other Operating Expenditures	-	-	-	-	-	-	0.00%	(99)	0.00%	-	99	100.00%
Total Non-Dept Expenditures	174,331	174,632	32,186	381,149	234,216	29,833	61.45%	188,001	88.94%	211,380	46,215	24.58%
Reserves												
Contingency Reserves	32,500	200	-	32,700	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	129,211	6,143	-	135,354	-	-	0.00%	-	0.00%	-	-	0.00%
Total Reserves	161,711	6,343	-	168,054	-	-	0.00%	-	0.00%	-	-	0.00%
Total Uses	1,113,031	186,744	40,582	1,340,357	817,682	45,756	61.00%	735,096	80.07%	918,078	82,586	11.23%

(1) Does not include encumbrance balance.

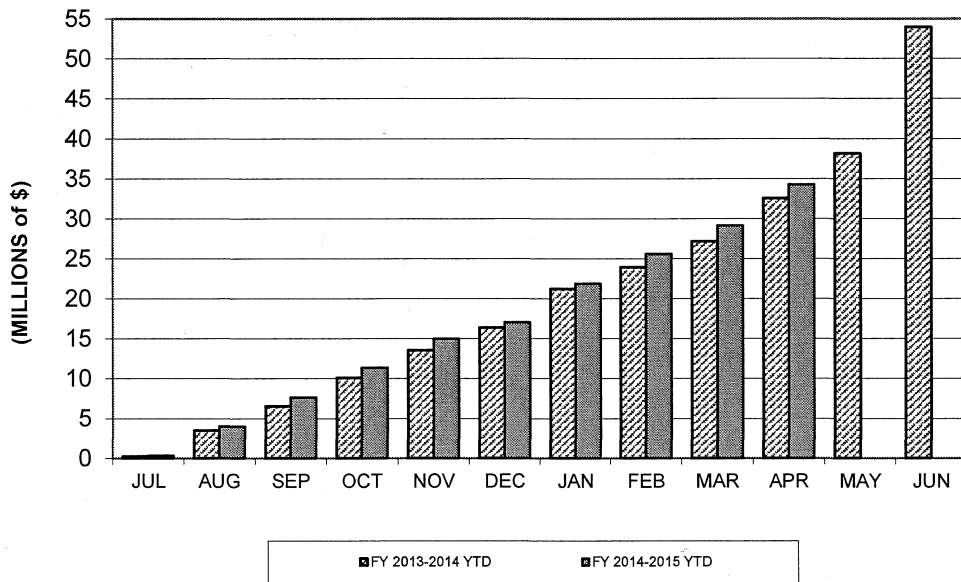
(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain revenues and expenses are recognized on a budgetary basis but not on a GAAP basis.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

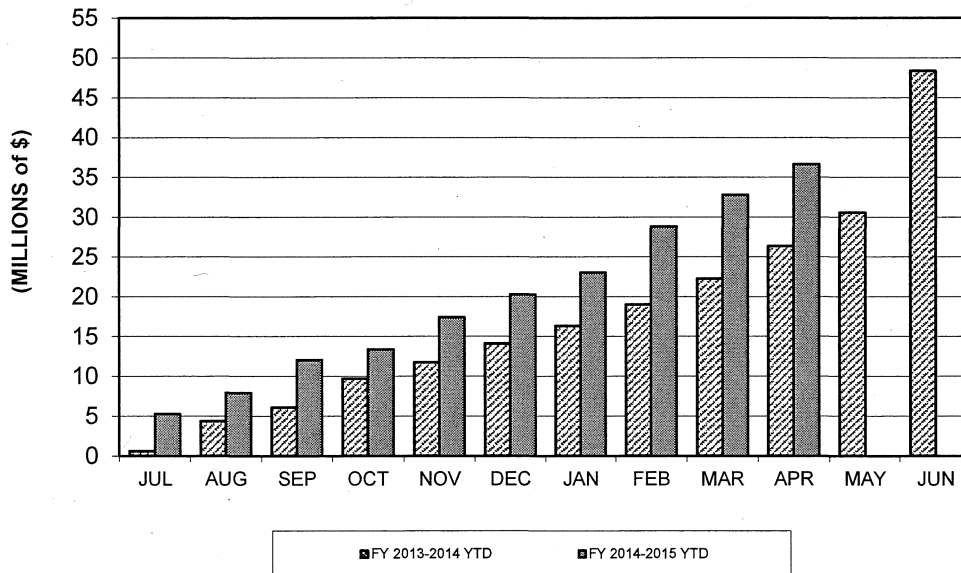
	ADOPTED FY 2014-2015 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2014-2015 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL(*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL(*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Departmental Revenues											
Police	1,182	-	-	1,182	911	77.07%	1,104	91.69%	1,204	(193)	-17.48%
Public Works	9,604	-	-	9,604	7,218	75.16%	7,910	81.26%	9,734	(692)	-8.75%
Transportation	1,464	(1)	-	1,463	1,397	95.49%	1,315	109.31%	1,203	82	6.24%
Library	1,050	-	-	1,050	644	61.33%	893	83.54%	1,069	(249)	-27.88%
Planning, Bldg & Code Enf	3,600	-	-	3,600	4,118	114.39%	4,008	84.57%	4,739	110	2.74%
Parks Rec & Neigh Svcs	16,523	580	-	17,103	15,392	90.00%	13,862	83.38%	16,625	1,530	11.04%
Miscellaneous Dept Charges	5,741	-	-	5,741	5,179	90.21%	5,613	78.96%	7,109	(434)	-7.73%
Total Departmental Revenues	39,164	579	-	39,743	34,859	87.71%	34,705	83.26%	41,683	154	0.44%

(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain revenues and expenses are recognized on a budgetary basis but not on a GAAP basis.

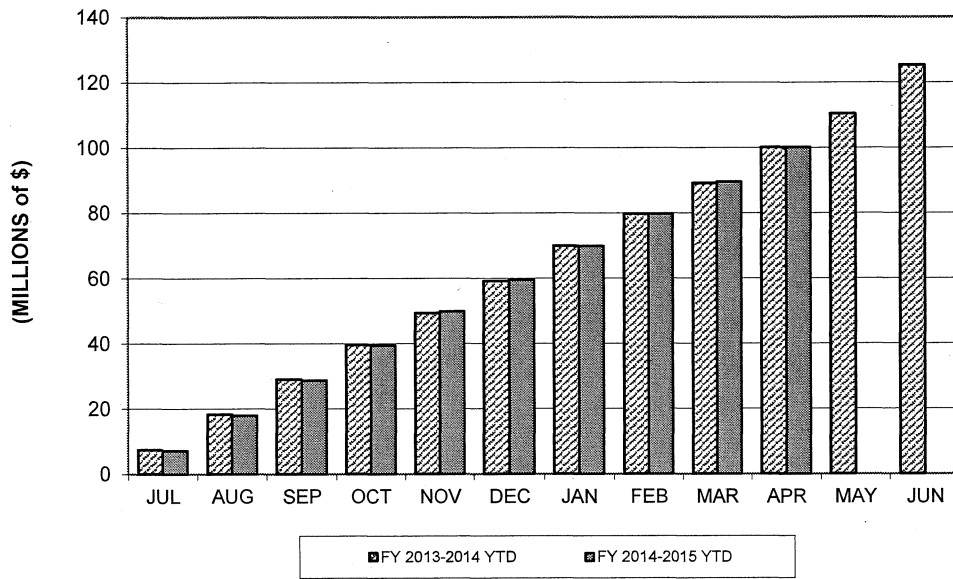
**CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Revenues**



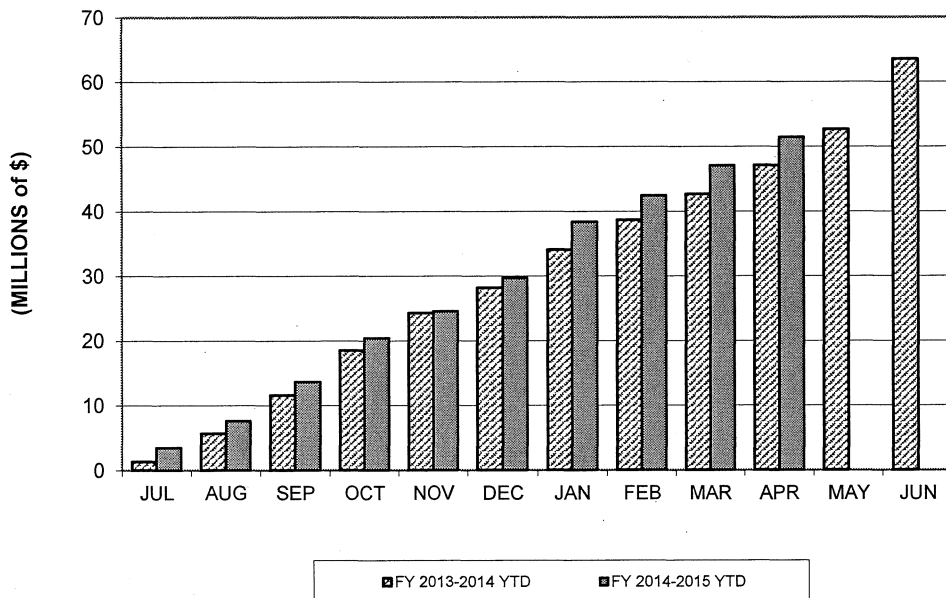
**CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Expenditures**



**AIRPORT REVENUE FUND 521
Comparison of YTD Revenues**

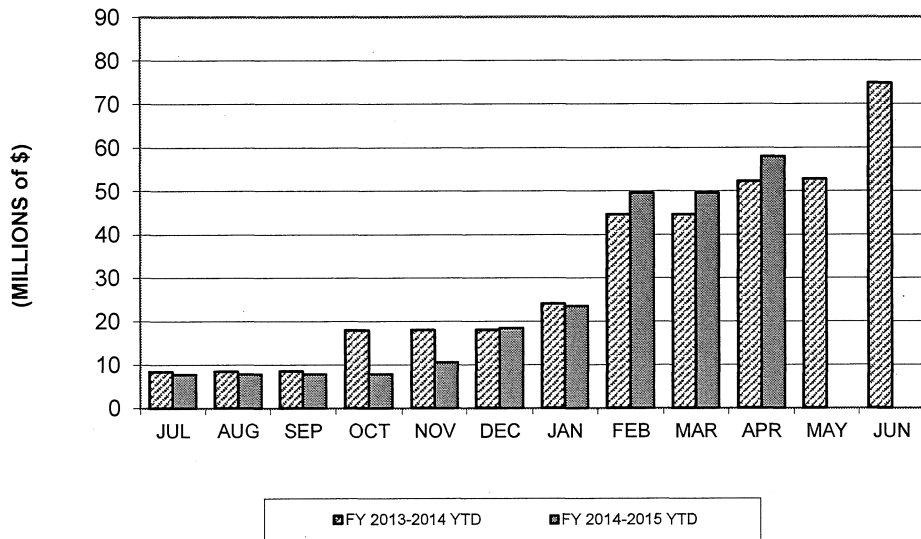


**AIRPORT MAINTENANCE & OPERATING FUND 523
Comparison of YTD Expenditures**

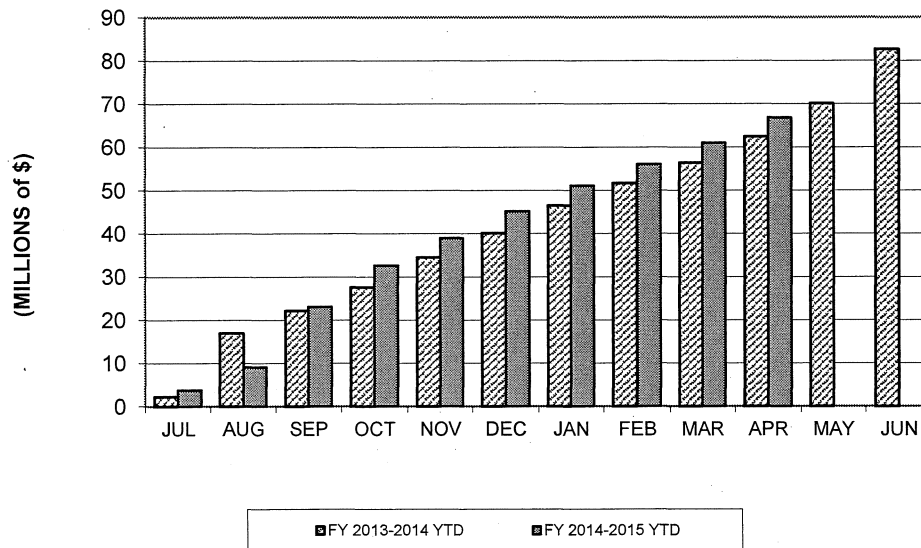


Note: The graphs above include the airport revenue fund (521) and operating fund (523) only.

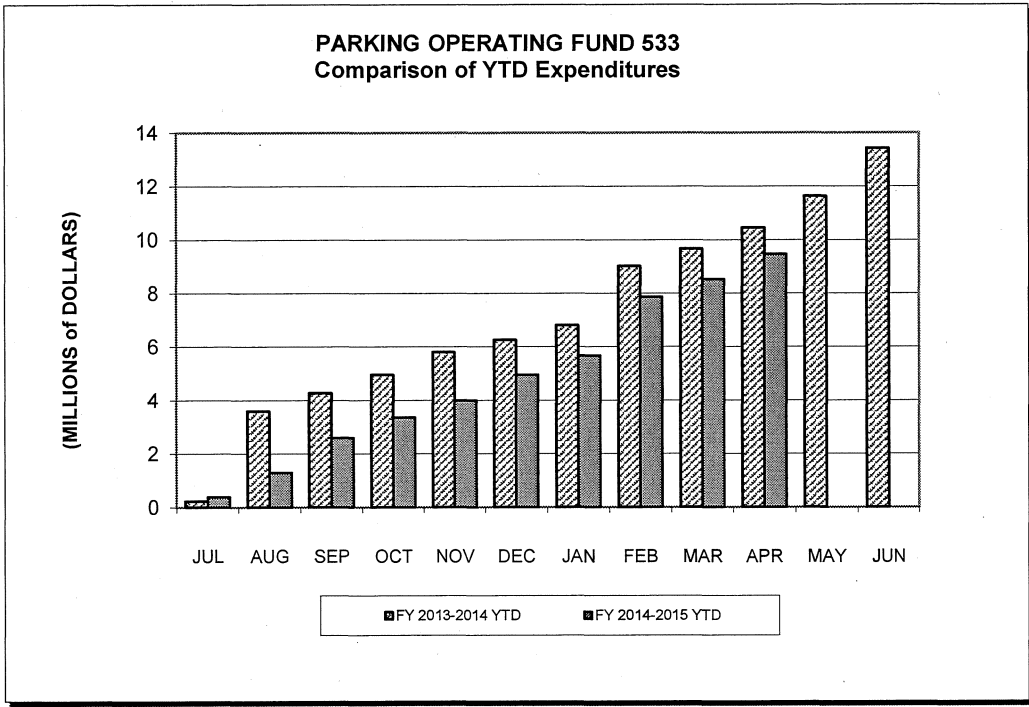
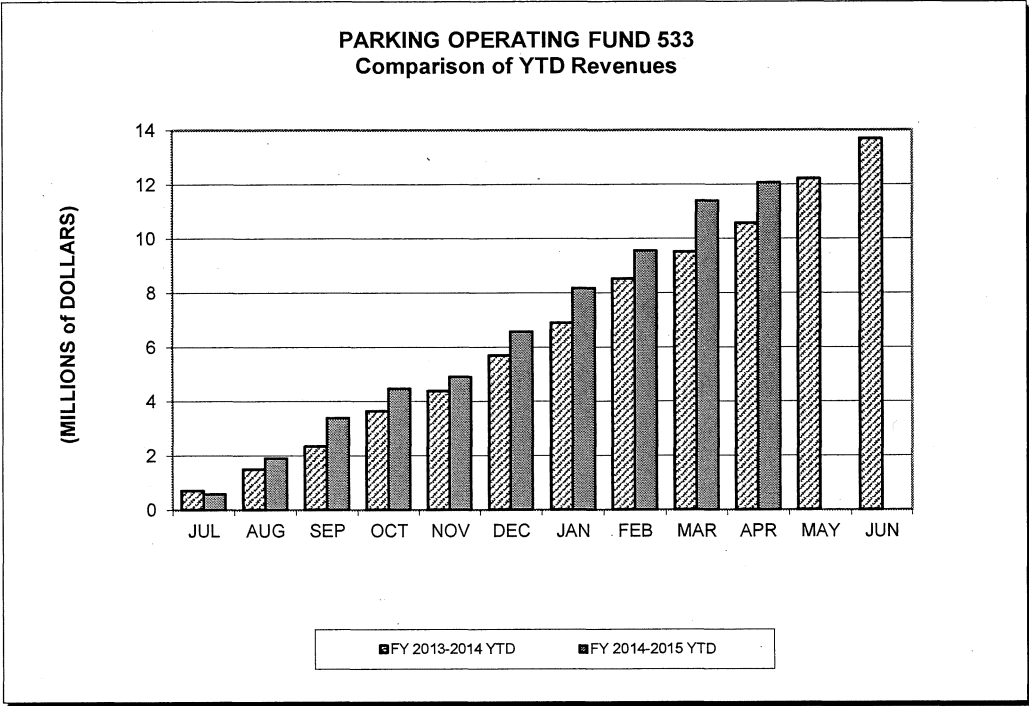
**WPCP OPERATING FUND 513
Comparison of YTD Revenues**



**WPCP OPERATING FUND 513
Comparison of YTD Expenditures**



Note: The graphs above are only for the WPCP operating fund (513).



Note: The graphs above are only for the Parking operating fund (533).

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2014-2015	BUDGET		FY 2014-2015	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	-	-	7,298	7,298	7,298	-	2,825
Beginning Fund Balance	72,073	6,112	-	78,185	78,185	-	78,699
Revenues	55,313	2,533	-	57,846	34,246	-	32,562
Total Sources	127,386	8,645	7,298	143,329	119,729	-	114,086
Total Uses	127,386	8,645	7,298	143,329	36,633	6,227	26,369
Airport							
Prior Year Encumbrance	-	-	6,547	6,547	6,547	-	6,201
Beginning Fund Balance	303,449	10,025	-	313,474	313,474	-	327,855
Revenues	356,222	145,417	-	501,639	240,022	-	242,438
Total Sources	659,671	155,442	6,547	821,660	560,043	-	576,494
Total Uses	659,671	155,442	6,547	821,660	241,268	12,340	245,149
Waste Water Treatment							
Prior Year Encumbrance	-	-	90,352	90,352	90,352	-	41,509
Beginning Fund Balance	268,287	31,145	-	299,432	299,432	-	306,847
Revenues	328,982	200	-	329,182	259,417	-	252,276
Total Sources	597,269	31,345	90,352	718,966	649,201	-	600,632
Total Uses	597,269	31,345	90,352	718,966	211,768	99,272	181,974
Parking							
Prior Year Encumbrance	-	-	1,051	1,051	1,051	-	1,032
Beginning Fund Balance	13,492	631	-	14,123	14,123	-	13,066
Revenues	17,333	175	-	17,508	12,065	-	7,205
Total Sources	30,825	806	1,051	32,682	27,239	-	21,303
Total Uses	30,825	806	1,051	32,682	9,468	2,195	10,454
Municipal Water							
Prior Year Encumbrance	-	-	2,389	2,389	2,389	-	975
Beginning Fund Balance	16,546	2,887	-	19,433	19,433	-	18,424
Revenues	40,565	-	-	40,565	34,455	-	33,180
Total Sources	57,111	2,887	2,389	62,387	56,277	-	52,579
Total Uses	57,111	2,887	2,389	62,387	29,402	2,740	27,661

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2014-2015 BUDGET	BUDGET AMENDMENTS		FY 2014-2015 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Gas Tax							
Revenues	15,000	-	-	15,000	13,158	-	11,243
Total Sources	15,000	-	-	15,000	13,158	-	11,243
Total Uses	15,000	-	-	15,000	13,158	-	10,212
Building and Structures							
Prior Year Encumbrance	-	-	4,400	4,400	4,400	-	7,518
Beginning Fund Balance	25,528	5,389	-	30,917	30,917	-	16,215
Revenues	28,806	616	-	29,422	16,365	-	21,430
Total Sources	54,334	6,005	4,400	64,739	51,682	-	45,163
Total Uses	54,334	6,005	4,400	64,739	10,714	5,053	11,200
Residential Construction							
Beginning Fund Balance	1,106	324	-	1,430	1,430	-	986
Revenues	229	-	-	229	257	-	350
Total Sources	1,335	324	-	1,659	1,687	-	1,336
Total Uses	1,335	324	-	1,659	8	-	27
Transient Occupancy Tax							
Prior Year Encumbrance	-	-	163	163	163	-	61
Beginning Fund Balance	2,806	2,741	-	5,547	5,547	-	4,729
Revenues	17,658	1,942	-	19,600	16,484	-	13,178
Total Sources	20,464	4,683	163	25,310	22,194	-	17,968
Total Uses	20,464	4,683	163	25,310	12,680	1,632	13,315
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	17	17	17	-	682
Beginning Fund Balance	4,774	1,219	-	5,993	5,993	-	6,606
Revenues	9,228	395	-	9,623	31,612	-	35,006
Total Sources	14,002	1,614	17	15,633	37,622	-	42,294
Total Uses	14,002	1,614	17	15,633	39,824	414	39,799

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)**

	ADOPTED FY 2014-2015 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2014-2015 BUDGET	YEAR-TO-DATE		PRIOR Y-T-D ACTUAL
					ACTUAL	ENCUMBR	
Golf							
Beginning Fund Balance	584	(42)	-	542	542	-	460
Revenues	2,167	520	-	2,687	2,664	-	2,497
Total Sources	2,751	478	-	3,229	3,206	-	2,957
Total Uses	2,751	478	-	3,229	2,590	-	2,268
Other Funds							
Prior Year Encumbrance	-	-	17,154	17,154	17,154	-	15,395
Beginning Fund Balance	214,051	48,201	-	262,252	262,252	-	256,246
Revenues	385,731	9,912	-	395,643	323,875	-	328,656
Total Sources	599,782	58,113	17,154	675,049	603,281	-	600,297
Total Uses	599,782	58,113	17,154	675,049	285,503	74,602	274,383

**CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2014-2015 BUDGET	BUDGET AMENDMENTS		FY 2014-2015 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Construction Excise							
Prior Year Encumbrance	-	-	27,196	27,196	27,196	-	8,077
Beginning Fund Balance	59,511	14,363	-	73,874	73,874	-	61,383
Revenues	70,461	7,780	-	78,241	45,195	-	53,872
Total Sources	129,972	22,143	27,196	179,311	146,265	-	123,332
Total Uses	129,972	22,143	27,196	179,311	40,559	17,619	30,363
Other							
Prior Year Encumbrance	-	-	16,865	16,865	16,865	-	13,258
Beginning Fund Balance	29,515	1,109	-	30,624	30,624	-	38,923
Revenues	10,006	525	-	10,531	1,073	-	387
Total Sources	39,521	1,634	16,865	58,020	48,562	-	52,568
Total Uses	39,521	1,634	16,865	58,020	8,234	19,515	3,504

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE TEN MONTHS ENDED APRIL 30, 2015
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2013-2014 BUDGET	BUDGET AMENDMENTS		FY 2013-2014 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Trust and Agency							
Prior Year Encumbrance	-	-	13	13	13	-	29
Beginning Fund Balance	4,818	303	-	5,121	5,121	-	6,504
Revenues	887	56	-	943	866	-	1,031
Total Sources	<u>5,705</u>	<u>359</u>	<u>13</u>	<u>6,077</u>	<u>6,000</u>	<u>-</u>	<u>7,564</u>
Total Uses	<u>5,705</u>	<u>359</u>	<u>13</u>	<u>6,077</u>	<u>815</u>	<u>66</u>	<u>1,503</u>