

# ANNUAL REPORT

SEPTEMBER 2018  
OFFICE OF THE CITY MANAGER



## **2017-2018 ANNUAL REPORT**

The Annual Report is established by the City Charter as the City Manager's vehicle for summarizing and analyzing the financial performance of the City for the preceding fiscal year. The mandated elements of the report include the following:

- A description of revenues received and expenditures incurred in the prior fiscal year, and an explanation concerning material differences between these amounts and the amounts budgeted.
- The amount of the financial reserves of the City.
- All other information that, in the opinion of the City Manager, is necessary to provide an accurate and complete picture of the fiscal status and condition of the City.

The financial information used in this report represents final, unaudited 2017-2018 year-end closing figures as of June 30, 2018.



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**2017-2018**

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**T**RANSMITTAL

**M**EMORANDUM





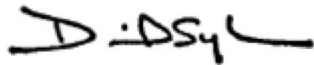
**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Margaret McCahan

**SUBJECT:** 2017-2018 ANNUAL REPORT

**DATE:** September 28, 2018

Approved



Date

09/28/2018

## RECOMMENDATION

It is recommended that the City Council:

- (a) Accept the 2017-2018 City Manager's Annual Report of the Finances of the City of San José in compliance with City Charter Section 701 (F).
- (b) Adopt Appropriation Ordinance and Funding Sources Resolution amendments in various operating and capital funds to implement the 2017-2018 Annual Report recommendations, including appropriate technical adjustments, as detailed in Section IV (Recommended Budget Adjustments and Clean-Up/Rebudget Actions).
- (c) Approve the following position changes in the Public Works Department:
  - (1) Add 2.0 Associate Engineer, 1.0 Associate Construction Inspector, 2.0 Engineering Technician II, and 1.0 Information Systems Analyst.
  - (2) Delete 1.0 Senior Geographic Systems Specialist.
- (d) Approve the addition of 1.0 Geographic Information Systems Specialist in the Department of Transportation.
- (e) Approve the addition of 1.0 Executive Analyst in the Office of Economic Development.
- (f) Approve the deletion of 1.0 Executive Analyst in the City Manager's Office.

## OUTCOME

In accordance with Section 701 (F) of the San José City Charter, the 2017-2018 Annual Report describes the financial status of the City at the end of the 2017-2018 fiscal year. As specified in the City Charter, the focus of the City Manager's Annual Report is a comparison of actual revenue collections and expenditures to projections and appropriations included in the City's budget. This will provide the City Council with the information necessary to review the financial performance of all City funds. In addition, this report provides a comparison of the actual 2017-2018 Ending Fund Balance for each fund to the estimates used in the development of the 2018-2019 Adopted

## **OUTCOME**

Budget as well as information on the status of the year-end reserve levels for each of the City's budgeted funds.

Approval of the recommended budget actions will implement required fund balance reconciliations and necessary rebudget and clean-up adjustments based on the final financial performance (unaudited) for 2017-2018. This report also includes actions that are necessary to: revise the 2018-2019 budget to align budgeted revenue and expenditures with the most current information; correct technical problems; recognize new or adjust existing grant, reimbursement or fee activity revenues and expenditures; fund one urgent fiscal/program need in the General Fund; reflect changes in project and program allocations based on revised cost estimates; and establish a limited number of new projects and programs in special and capital funds.

## **EXECUTIVE SUMMARY**

The Administration proactively managed over 100 budgeted funds in 2017-2018. Budget actions were brought forward during the year to ensure that revenues and expenditures remained in alignment with actual performance. Through this careful management, the various City funds generally ended the year with revenues close to the budgeted estimates and expenditures below the budgeted allocations.

With the local economy's sustained growth over the past several years, the City's budget remained stable. Accordingly, the 2017-2018 Adopted Budget maintained and, in limited instances, enhanced existing service levels. There were also a small number of additions in strategically important areas, capital investments in City infrastructure, and continued adherence to a multi-year approach to budgeting with one-time funding set aside in 2017-2018 to address a projected General Fund shortfall in 2018-2019. The City also continued to seek out innovative ways to efficiently deliver services. The 2017-2018 Adopted Budget also incorporated Program Budgeting and was produced using the City's new Hyperion Budget System. As always, the City will maintain its focus on rebuilding services within available resources to meet the needs of the San José community.

In the General Fund, both the revenues and expenditures ended the year very close to budgeted expectations. The 2017-2018 General Fund Ending Fund Balance of \$249.3 million exceeded the estimate of \$233.6 million used in the development of the 2018-2019 Adopted Budget by \$15.7 million. This variance represents only 0.5% of the 2017-2018 Modified Budget total sources and uses. These funds are recommended to be allocated in the 2017-2018 Annual Report as shown in the table on the following page.

**EXECUTIVE SUMMARY**

**Proposed 2018-2019 General Fund Adjustments (\$000s)**

<b>Additional 2017-2018 Ending Fund Balance</b>	<b>\$15,655</b>
<b>Clean-Up Actions</b>	
Development Fee Programs Reconciliation	(5,865)
Rebudgets/Clean-Up Adjustments	562
<b>Total Clean-Up Actions</b>	<b>(\$5,303)</b>
<b>Fund Balance Available After Clean-up Actions</b>	<b>\$10,352</b>
<b>Recommended Budget Adjustments</b>	
Required Technical/Rebalancing Actions	(4,795)
Grants/Reimbursements/Fee Activities (Sources = \$1.2M; Uses = \$1.2M)	0
Urgent Fiscal/Program Needs	(532)
<b>Total Recommended Budget Adjustments</b>	<b>(\$5,327)</b>
<b>Remaining Fund Balance After Clean-ups/Recommended Adjustments</b>	<b>\$5,025</b>
<b>Distribution of Remaining Fund Balance Per City Council Policy I-18</b>	
City Hall Network Operations Center Main Switchboard Replacement	(\$3,000)
Pavement Maintenance Program	(\$1,325)
Budget Stabilization Reserve	(\$700)
<b>Total Fund Balance Distributed Per Council Policy I-18</b>	<b>(\$5,025)</b>

When bringing forward recommendations for the use of the additional 2017-2018 General Fund Ending Fund Balance, the Administration considers clean-up actions associated with the close-out of the 2017-2018 fiscal year to be essentially non-discretionary and the highest priority. These clean-up actions result in a net decrease to the available fund balance of \$5.3 million and are broken down into two categories: changes to the Development Fee Programs reserves to reconcile actual 2017-2018 performance (decrease to fund balance of \$5.9 million); and adjustments to rebudget amounts that were carried over to 2018-2019 to complete projects and technical adjustments to other revenue and expenditure line items (net increase to fund balance of \$562,000).

After accounting for those clean-up actions, the additional General Fund 2017-2018 Ending Fund Balance was within \$10.4 million (0.3%) of the 2017-2018 Modified Budget (sources and uses). The remaining fund balance of \$10.4 million is recommended to fund various required technical/rebalancing actions (\$4.8 million) and one urgent fiscal/program need (\$0.5 million). The largest of these adjustments include the following: recognition of additional Sales Tax revenue of \$5.0 million to conservatively account for receipts due to the City in 2017-2018 that were not received; an increase to the Police Department overtime budget of \$4.0 million to primarily backfill sworn positions while Police recruits are in training; a reduction of \$2.1 million to the overhead reimbursements based on adjusted overhead rates; an increase of \$1.2 million to the City Hall HVAC Control System Replacement; and an increase of \$532,000 to the Fire Department overtime budget to support active shooter training.

## **EXECUTIVE SUMMARY**

After these adjustments, the remaining fund balance of \$5.0 million is recommended to be distributed in accordance with City Council Policy I-18. These funds are recommended to support unmet/deferred infrastructure needs, including the City Hall Network Operations Center Main Switchboard Replacement (\$3.0 million) and the Pavement Maintenance Program (\$1.3 million), and to increase the Budget Stabilization Reserve (\$0.7 million) from \$16.3 million to \$17 million. The recommended budget actions are summarized later in this message and described in *Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.

This report also addresses immediate needs in various special and capital funds, including adding funding for security improvements at Happy Hollow Park and Zoo, adding funding for targeted repairs and improvements at the Convention Center and other cultural facilities, net-zero funding shifts within the Parks Flood Remediation Program to address updated project costs, and a series of adjustments to fund the \$58.0 million Interim Terminal Facility Project with commercial paper rather than reserves.

As we move forward, the Administration will continue to monitor and report on the City's financial performance through Bi-Monthly Financial Reports and the Mid-Year Budget Review. The financial results of 2017-2018 will also be factored into the development of the 2020-2024 General Fund Five-Year Forecast that will be released in February 2019.

## **BACKGROUND**

Each year the City issues the Annual Report at the end of September, three months after the close of the fiscal year, as required by the City Charter. Following is a description of the various sections of the Annual Report document.

- **Transmittal Memorandum** – This section provides an overall summary of the 2017-2018 Annual Report.
- **Section I: Financial Performance Summary (All Funds)** – This section provides a comparison of the 2017-2018 budget to actual revenues received and expenditures incurred by fund as well as an explanation of revenue and/or expenditure variances of 10% or greater to the budget. This section also provides a comparison of the year-end actual 2017-2018 Ending Fund Balance by fund to the 2017-2018 Ending Fund Balance/2018-2019 Beginning Fund Balance estimate used in the development of the 2018-2019 Adopted Budget. In addition, a listing of the Earmarked and Contingency Reserves that were available at the end of 2017-2018 by fund is included.
- **Section II: General Fund Financial Performance** – This section provides a summary of the General Fund performance in 2017-2018, including the following: Results of Operations in the General Fund; Revenue Performance; and Expenditure Performance.

## **BACKGROUND**

- **Section III: Selected Special/Capital Funds Financial Performance** – This section provides financial information on the 2017-2018 year-end performance for selected special and capital funds that represent major City operations. It includes a discussion of variances between actual and budgeted revenues and expenditures as well as a comparison between the actual ending fund balance and the fund balance estimated for 2017-2018 in the development of the 2018-2019 Adopted Budget.
- **Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions** – This section provides a description of the recommended budget adjustments and clean-up actions for City Council consideration. The proposed actions fall into three categories: (1) adjustments to the 2018-2019 Beginning Fund Balance amounts in various funds, including the General Fund, based on the final reconciliation of 2017-2018; (2) upward and downward adjustments to previously rebudgeted sums to ensure the appropriate amount of unexpended funds are carried over to 2018-2019 to complete projects; and (3) actions based on more recent information that are necessary to revise the 2018-2019 budget to align budgeted revenue and expenditures with the most current information, correct technical problems, recognize new or adjust grant, reimbursement or fee activity revenues and expenditures, fund one urgent fiscal/program need in the General Fund, and reflect changes in project and program allocations based on revised cost estimates as well as establish a limited number of new projects and programs in special and capital funds.
- **Section V: Financial Statements** – This section provides the financial results (unaudited), prepared by the Finance Department, for all budgeted fund groups for 2017-2018. It should be noted that audited financial results will be released later in the fall as part of the 2018 Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2018. Final fund balance reconciliations to the CAFR will be conducted for all funds and, while few adjustments are typically necessary, any final adjustments will be brought forward for City Council consideration as part of the 2018-2019 Mid-Year Budget Review.

## **ANALYSIS**

This Analysis section includes the following:

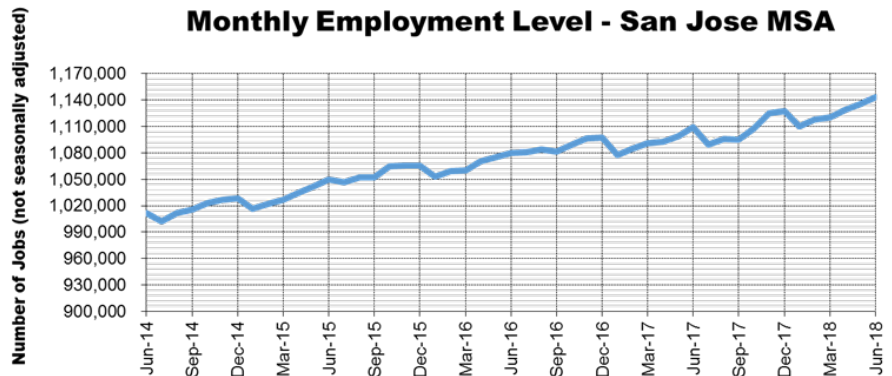
- an overview of the economic environment;
- a discussion of the 2017-2018 budget performance of all City funds;
- a discussion of the 2017-2018 budget performance for the General Fund;
- a discussion of the components of the 2017-2018 General Fund ending fund balance;
- an analysis of the impact of the General Fund performance on the 2018-2019 Adopted Budget; and
- a discussion of the 2017-2018 budget performance of selected special and capital funds.

**ANALYSIS**

**Economic Environment**

When the 2017-2018 Adopted Budget was developed, economic growth was expected to continue throughout the year. This assumption has proven true, with continued improvement in economic indicators and actual revenue performance during 2017-2018. Employment indicators, construction activity, median single-family home prices, and the number of days it took to sell these homes all performed well in 2017-2018.

The June 2018 employment level in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) of 1.14 million was 3.0% higher than the June 2017 level of 1.11 million. Between June 2017 and June 2018, employment in the San José MSA expanded by 33,800 jobs.



This growth includes an increase of 8,800 jobs in the information sector, which signifies the 101<sup>st</sup> consecutive month of year-over-year increases.

<b>Unemployment Rate (Unadjusted)</b>		
	<b>June 2017</b>	<b>June 2018**</b>
San José Metropolitan Statistical Area*	3.4%	3.0%
State of California	4.8%	4.5%
United States	4.5%	4.2%
* San Benito and Santa Clara Counties Source: California Employment Development Department.		

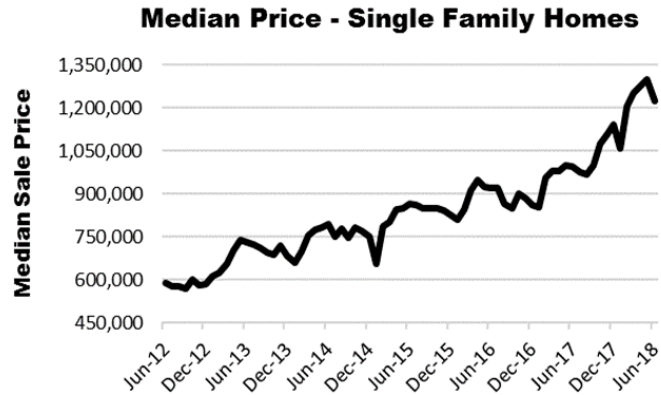
The unemployment rates at the local, State, and national levels have continued to slightly drop compared to the prior year and remain at very low levels. In June 2018, the unemployment rate for the San José Metropolitan Statistical Area of 3.0% was below the 3.4% experienced in June 2017. In this region, the June 2018 unemployment rate continued to be lower than the unadjusted unemployment rate for the State (4.5%) and the nation (4.2%).

Construction valuation was strong in 2017-2018 at \$1.7 billion, but decreased from the record setting level of \$1.9 billion reached in 2016-2017. The number of new residential dwelling units permits issued in 2017-2018 totaled 3,241, which was 19.5% above the prior year level of 2,712 permits issued. Construction activity in the residential category was higher than the prior year level, while commercial and industrial activity dropped. Private construction activity is a driver for several development related taxes and fees and is an indicator of future activity for several other categories, such as storm and sanitary sewer system fees.

## ANALYSIS

### **Economic Environment**

The local real estate market continues to experience strong growth in home prices compared to prior year levels. The median single-family home price in June 2018 of \$1.23 million is up 23.0% from the June 2017 price of \$996,000. It is also taking less time to sell these homes, with the average days-on-market for single-family and multi-family dwellings in June 2018 totaling 15 days, a drop from the 18 days experienced in June 2017. Also of interest is the continued tightening of inventory available in the housing market. The average number of new listings in 2017-2018 totaled 704, which is 6.0% below the average number of new listings recorded in the prior fiscal year. While the median home price has risen and the length of time to sell these more expensive homes has decreased, the number of property transfers (sales) has continued to drop. The number of property transfers in 2017-2018 totaled 7,513, which represents a 4.7% drop from the 7,883 transfers that occurred in 2016-2017. The decrease in the number of property sales compared to prior year levels is primarily attributable to the limited inventory available on the housing market.



### **2017-2018 Budget Performance (All Funds)**

As shown in Section I of this document, City revenues (excluding Beginning Fund Balances) totaled \$3.0 billion in 2017-2018, which was 2.9% (\$92.1 million) below the budgeted estimate of \$3.1 billion.

In 2017-2018, expenditures (excluding Reserves and Ending Fund Balances) totaled \$3.4 billion, which was \$546.4 million (13.9%) below the modified budget of \$3.9 billion. At the end of 2017-2018, the Contingency and Earmarked Reserves for all City funds totaled \$814.2 million, which represented 16.5% of the total 2017-2018 Modified Budget of \$4.9 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled \$178.3 million.

The financial performance in 2017-2018 is used as the starting point for 2018-2019. The collective 2017-2018 Ending Fund Balances for all City funds totaled \$1.4 billion, which was \$84.1 million above the 2017-2018 Ending Fund Balance estimates of \$1.3 billion used in the development of the 2018-2019 Adopted Budget. After adjusting for additional rebudgets of \$31.8 million recommended in this report, the adjusted 2017-2018 Ending Fund Balance variance for all funds falls to \$52.3 million, or 1.1% of the 2017-2018 Modified Budget. The adjusted fund balance variance totaled \$10.4 million in the General Fund, \$57.8 million in the special funds, and -\$15.9 million in the capital funds.

**ANALYSIS**

**2017-2018 General Fund Budget Performance**

The City's General Fund ended the 2017-2018 fiscal year within budgeted levels. As shown in the chart below, the General Fund Ending Fund Balance of \$249.3 million was \$15.7 million (0.5% of the 2017-2018 Modified Budget total sources and uses) above the fund balance estimate assumed when the 2018-2019 Adopted Budget was developed. The following table summarizes the General Fund performance in 2017-2018, comparing the actual results to the modified budget and the estimates used to develop the 2018-2019 Adopted Budget.

**Table 1  
 General Fund Year-End Status  
 For the Year Ended June 30, 2018  
 (\$000s)**

<b>Sources</b>	<b>2017-2018 Modified Budget</b>	<b>2017-2018 Year-end Estimate</b>	<b>2017-2018 Budgetary Basis Actual</b>	<b>Actual to Budget Variance</b>	<b>Actual to Estimate Variance</b>
<i>Beginning Fund Balance</i>	241,173	241,173	241,173	-	-
<i>Carryover Encumbrances</i>	46,068	46,068	46,068	-	-
<i>Liquidation of Carry- over Encumbrances</i>	-	2,500	2,817	2,817	317
<i>Revenue</i>	<u>1,295,776</u>	<u>1,300,776</u>	<u>1,297,252</u>	<u>1,476</u>	<u>(3,524)</u>
<i>Total Sources</i>	<u>1,583,017</u>	<u>1,590,517</u>	<u>1,587,310</u>	<u>4,293</u>	<u>(3,207)</u>
<b>Uses</b>					
<i>Expenditures/Transfers</i>	1,404,722	1,362,805	1,338,020	(66,702)	(24,785)
<i>Reserves</i>	<u>178,295</u>	<u>(5,923)</u>	-	<u>(178,295)</u>	<u>5,923</u>
<i>Total Uses</i>	<u>1,583,017</u>	<u>1,356,882</u>	<u>1,338,020</u>	<u>(244,997)</u>	<u>(18,862)</u>
<i>Ending Fund Balance</i>	-	<u>233,635</u>	<u>249,290</u>	<u>249,290</u>	<u>15,655</u>

Note: In the chart above, the General Fund excludes the Emergency Reserve Fund and the Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2018-2019 Comprehensive Financial Report (CAFR), the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

In 2017-2018, total revenue in the General Fund was \$1.3 billion, which was within 0.1%, or \$1.5 million, of the 2017-2018 Modified Budget. However, when the 2018-2019 Adopted Budget was developed, it was assumed that revenues would exceed the modified budget by approximately \$5 million and would generate additional fund balance. Revenues fell short of this estimate by \$3.5 million due to the under-disbursement of Sales Tax revenue. The liquidation of prior year carryover encumbrances totaled \$2.8 million, which was \$317,000 above the \$2.5 million estimate.

General Fund expenditures/transfers of \$1.3 billion were \$66.7 million (4.7%) below the 2017-2018 Modified Budget level of \$1.4 billion and \$24.8 million (1.8%) below the estimate used to develop the 2018-2019 Adopted Budget. Budgeted reserves of \$178.3 million remained unexpended at year-end as expected. However, the Reserve balance estimate assumed as part of



## ANALYSIS

### **2017-2018 General Fund Budget Performance**

the 2018-2019 Adopted Budget was overstated due to the over-rebudget of the Development Fee Program Reserves. Downward rebudget adjustments totaling \$6.0 million are recommended to these reserves in the Annual Report to bring them into alignment with the balances available.

When comparing the actual revenue and expenditure performance to the estimates used to develop the 2018-2019 Adopted Budget, a portion of these variances is related to various grants and reimbursements that were not received in 2017-2018, but are expected to be received in 2018-2019. A total of \$3.8 million of grant and reimbursement revenues and expenditures were rebudgeted to 2018-2019 in the 2018-2019 Adopted Budget. This resulted in lower actual revenues and expenditures in 2017-2018, with no net impact to the General Fund. After factoring out the lower revenues and expenditures associated with these grants and reimbursements, revenues were slightly above the estimate (\$137,000; 0.01%) and expenditures savings totaled \$15.2 million (1.1%). Further adjustments to these figures are necessary to account for the recommended clean-up and rebudget actions in the Annual Report.

In this Annual Report document, budget actions are recommended to distribute the additional fund balance of \$15.7 million. Per City Council Policy I-18, when determining the proposed distribution of these funds, the first priority is to complete clean-up actions associated with the final reconciliation of 2017-2018. Recommended clean-up actions result in net decrease of \$5.3 million to the amount of funding available to distribute to reflect reconciliation of the Development Fee Programs (-\$5.9 million) and required expenditure rebudgets and other clean-up adjustments to close-out 2017-2018 (\$0.6 million). The adjusted figure of \$10.4 million in additional funding available to distribute was generated from net expenditure savings of \$12.4 million (0.9%) and higher than estimated liquidation of prior year encumbrances of \$317,000, partially offset by lower revenues of \$2.4 million (-0.2%).

Of the \$10.4 million available for distribution, \$5.3 million is recommended to be allocated to address various required technical and rebalancing actions (\$4.8 million) and one recommended urgent fiscal/program need (\$0.5 million). The remaining balance of \$5.0 million is recommended to be allocated per City Council Policy I-18 to address unmet/deferred infrastructure needs, including the City Hall Network Operations Center Main Switchboard Replacement (\$3.0 million) and the Pavement Maintenance Program (\$1.3 million), and to the Budget Stabilization Reserve (\$0.7 million), which are described later in this transmittal memorandum.

To identify revenue and expenditure trends, Table 2 below compares the City's budget performance in 2017-2018 with the budget performance of the prior year.

**ANALYSIS**

**2017-2018 General Fund Budget Performance**

**Table 2**  
**General Fund**  
**Comparison of Year-End Actuals With Prior Year**  
**(\$000s)**

	<b>2016-2017</b>	<b>2017-2018</b>		
	<b>Actuals</b>	<b>Actuals</b>	<b>Change</b>	<b>% Change</b>
<b>Source of Funds</b>				
Beginning Fund Balance	253,903	241,173	(12,730)	-5.0%
Revenues	1,108,260	1,297,251	188,991	17.1%
<b>Total Source of Funds</b>	<b>1,362,163</b>	<b>1,538,424</b>	<b>176,261</b>	<b>12.9%</b>
<b>Use of Funds</b>				
Personal Services	729,913	807,240	77,327	10.6%
Non-Personal/Equipment/Other	135,728	143,132	7,404	5.5%
City-Wide Expenses	217,142	305,844	88,702	40.8%
Capital Contributions	49,301	47,457	(1,844)	-3.7%
Transfers	28,068	34,347	6,279	22.4%
Reserves	-	-	-	N/A
<b>Total Use of Funds</b>	<b>1,160,152</b>	<b>1,338,020</b>	<b>177,868</b>	<b>15.3%</b>

As shown in Table 2, 2017-2018 General Fund revenues (excluding Beginning Fund Balance) of \$1.3 billion represent an increase of 17.1% from the 2016-2017 collection level of \$1.1 billion. The categories that experienced the largest increases included: Business Taxes, Other Revenue, Property Tax, Revenue from Local Agencies, Sales Tax, and Transient Occupancy Tax. This was due to economic performance as well as other contributing factors such as the Successor Agency to the Redevelopment Agency bond refunding that generated additional Property Tax and reimbursements, the full year implementation of the Local Sales Tax, and the modernization of the Business Tax. The City also issued \$150 million in Tax Revenue Anticipation Notes in 2017-2018, up from \$100 million in 2016-2017 (this revenue is offset by an associated TRANs debt service expenditure). The largest revenue declines from the prior year were experienced in the Fines, Forfeitures and Penalties and Utility Tax categories.

General Fund expenditures of \$1.3 billion in 2017-2018 were 15.3% (\$177.9 million) above prior year expenditure levels of \$1.16 billion. This increase is due to higher City-Wide Expenses (\$88.7 million), Personal Services (\$77.3 million), Non-Personal/Equipment/Other (\$7.4 million), and Transfers (\$6.3 million), partially offset by lower Capital Contributions (\$1.8 million). In the City-Wide Expenses category, the higher expenditure level was primarily the result of higher TRANs debt service payments (up \$50.9 million) and higher FMC debt service payments (up \$36.3 million due to the sale of the Airport West property and the pay down of debt).

A detailed discussion of the General Fund revenue and expenditure performance is provided in Section I of this document.

**ANALYSIS**

**2017-2018 General Fund Ending Fund Balance**

The current budgeting practice of the City is to use the projected level of fund balance expected to remain in the General Fund at the end of any fiscal year as a funding source for the following year. The Ending Fund Balance estimate always contains two components: the portion of the fund balance that is rebudgeted for completing projects or retaining reserves; and the portion which is undesignated and available as a general funding source in the coming year. In the 2018-2019 Adopted Budget, a total fund balance estimate of \$233.6 million was included as a funding source. As discussed earlier, the 2017-2018 General Fund Ending Fund Balance of \$249.3 million was \$15.7 million above this estimate.

The components of the 2017-2018 General Fund Ending Fund Balance include additional funding sources, expenditure/transfer savings, and unexpended reserves as described below:

**2017-2018 General Fund  
Ending Fund Balance Components**

<b>Fund Balance Component</b>	<b>\$ Amount (\$ in 000s)</b>
Additional Funding Sources	4,293
Expenditure/Transfer Savings	66,702
Unexpended Reserves	178,295
<b>TOTAL</b>	<b>\$ 249,290</b>

The total Sources of Funds ended the year \$4.3 million above the modified budget as a result of higher revenues (\$1.5 million) and liquidation of carryover encumbrances (\$2.8 million). For the Uses of Funds, expenditure and transfer savings totaled \$66.7 million, while unexpended reserves totaled \$178.3 million, representing the largest component of the 2018-2019 Ending Fund Balance. Of the \$66.7 million in expenditure savings, a majority of funding was rebudgeted in the 2018-2019 Adopted Budget (\$45.2 million) with additional funding being recommended for rebudget as part of this report (\$6.3 million).

General Fund Reserves, totaling \$178.3 million at the end of 2017-2018, include two categories: Earmarked Reserves (\$141.8 million) established to address specific needs per City Council direction; and the Contingency Reserve (\$36.5 million) set at a minimum of 3% of expenditures per City Council policy.

## ANALYSIS

### **2017-2018 General Fund Ending Fund Balance**

Following is additional information regarding the two reserve categories.

- ***Earmarked Reserves (\$141.8 million)*** – At the end of 2017-2018, the most significant reserves included the following: the 2017-2018 Ending Fund Balance Reserve (\$27.0 million); Building Development Fee Program Reserve (\$22.4 million); 2018-2019 Future Deficit Reserve (\$20.3 million); Budget Stabilization Reserve (\$16.3 million); Workers Compensation/General Liability Catastrophic Reserve (\$15.0 million); Fire Development Fee Program (\$7.6 million); Sick Leave Payments Upon Retirement Reserve (\$6.0 million); Salaries and Benefits Reserve (\$5.3 million); Public Works Development Fee Program Reserve (\$5.3 million); Cultural Facilities Capital Maintenance Reserve (\$4.4 million); and Retiree Healthcare Solutions Reserve (\$4.3 million). The majority of the Earmarked Reserves were either approved for rebudget or used as a funding source in the 2018-2019 Adopted Budget.

The 2017-2018 Ending Fund Balance Reserve of \$27.0 million was proactively set aside to help ensure sufficient fund balance would be available at the end of 2017-2018 to meet the budgeted estimate used in the development of the 2018-2019 Adopted Budget. Annually, as part of the development of the General Fund Forecast and Adopted Budget for the following year, a certain amount of current year unrestricted ending fund balance is estimated to be available at the end of the year as a funding source for the following year's budget. This ending fund balance is expected to be generated from additional revenues above budgeted levels, expenditure savings, and the liquidation of carryover encumbrances during the year. In the 2018-2019 Adopted Budget, it was assumed that \$32.6 million would be generated from these sources. The establishment of the 2017-2018 Ending Fund Balance Reserve of \$27.0 million set aside the majority of this funding, with the assumption that the remaining amount would be realized by year-end from a combination of excess revenues, expenditure savings and the liquidation of prior year carryover encumbrances.

- ***Contingency Reserve (\$36.5 million)*** – The City Council has established a budget policy of maintaining a minimum 3% Contingency Reserve in the General Fund. At the end of 2017-2018, the Contingency Reserve totaled \$36.5 million and had remained unspent during the year. As part of the 2018-2019 Adopted Budget, the full Contingency Reserve was rebudgeted in order to comply with the Council Policy of maintaining a minimum 3% Contingency Reserve in the General Fund. As part of this report, an increase to this reserve of \$500,000 is recommended to comply with the 3% funding requirement and would bring the 2018-2019 Contingency Reserve to \$37.0 million. It is important to note, however, that if this Contingency Reserve is ever needed, it is only sufficient to cover General Fund payroll expenditures for a couple of weeks in the event of an emergency.

## **ANALYSIS**

### **2017-2018 General Fund Ending Fund Balance**

As discussed above, it was assumed that \$233.6 million would remain in the General Fund at the end of 2017-2018 and would be carried over to 2018-2019 as Beginning Fund Balance as part of the adoption of the 2018-2019 Budget. These funds, which were expected to be generated from unexpended reserves, unexpended funds that were rebudgeted to 2018-2019, additional revenue, expenditure savings and the liquidation of carryover encumbrances, were programmed for use in the 2018-2019 Adopted Budget. The actual General Fund Ending Fund Balance was above the estimate used in the 2018-2019 Adopted Budget by \$15.7 million, due to excess revenues and additional expenditure savings, some of which are recommended to be rebudgeted as part of this report.

The following chart details the recommended uses of the \$15.7 million additional fund balance as well as other budget adjustments that are recommended as part of this report. Recommended clean-up actions will result in a decrease to the available fund balance by \$5.3 million, reflecting a downward adjustment of \$5.9 million to reconcile the actual performance of the Development Fee Programs in 2017-2018 and a net upward adjustment of \$562,000 to account for additional rebudget and clean-up actions to close-out 2017-2018. Once these adjustments have been accounted for, the net available fund balance available for allocation totals \$10.4 million. This additional fund balance is proposed to be allocated to address required technical/rebalancing needs as well as a very limited number of urgent fiscal/program needs in the current year.

**ANALYSIS**

**Impacts on the 2018-2019 General Fund Budget**

**PROPOSED 2018-2019 GENERAL FUND ADJUSTMENTS (\$000s)**

<b>Additional 2017-2018 Ending Fund Balance</b>	<b>\$ 15,655</b>
<b>Clean-Up Actions</b>	
Development Fee Programs Reconciliation	(5,865)
Rebudgets/Clean-Up Adjustments	562
<b>Total Clean-Up Actions</b>	<b>\$ (5,303)</b>
<b>Fund Balance Available After Clean-Up Actions</b>	<b>\$ 10,352</b>
<b>Recommended Budget Adjustments</b>	
<b>Required Technical/Rebalancing Actions</b>	
- Sales Tax (2017-2018 Underreporting)	5,000
- Urban Areas Security Initiative Grant - Police 2017	105
- Transfer from Water Utility Fund for Late Fees	92
- Parks, Recreation and Neighborhood Services Personal Services (St. James Park Staffing Funding Reallocation)	12
- Police Department Overtime Budget	(4,000)
- Transfers and Reimbursements - Overhead Rate Adjustments	(2,094)
- City Hall HVAC Control System Replacement	(1,200)
- Building Development Fee Program Reserve (OED Staff Funding Reallocation)	(598)
- Information Technology Non-Personal/Equipment (Converged or Hyper-Converged Infrastructure)	(504)
- Contingency Reserve	(500)
- Elections and Ballot Measures	(470)
- Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel Sales Tax)	(273)
- BeautifySJ Litter Pilot	(200)
- Workers' Compensation Claims System	(145)
- Vietnamese-American Community Center Planning and Fundraising Capital Project	(16)
- Fire Non-Personal/Equipment (City Matching Funds for Fire Prevention and Safety Grant)	(4)
<b>Sub-total Required Technical/Rebalancing Actions</b>	<b>\$ (4,795)</b>
<b>Urgent Fiscal/Program Needs</b>	
- Fire Department Active Shooter Training (Overtime Budget)	(532)
<b>Sub-total Urgent Fiscal/Program Needs</b>	<b>\$ (532)</b>
<b>Grants/Reimbursements/Fee Activities</b> (Sources = \$1.2 million; Uses = \$1.2 million)	<b>\$ 0</b>
<b>Total Recommended Budget Adjustments</b>	<b>\$ (5,327)</b>
<b>Remaining Balance After Recommended Budget Adjustments</b>	<b>\$ 5,025</b>
<b>Recommended Distribution of Remaining Fund Balance in Accordance with City Council Policy I-18*</b>	
- City Hall Network Operations Center Main Switchboard Replacement	(3,000)
- Pavement Maintenance Program	(1,325)
- Budget Stabilization Reserve	(700)
<b>Total Recommended Fund Balance Distributed per City Council Policy I-18</b>	<b>\$ (5,025)</b>
<b>Remaining Fund Balance Available</b>	<b>\$ 0</b>

\* These actions are reflected in the Recommended Budget Adjustments and Clean-Up/Rebudget Actions section of this report under Required Technical/Rebalancing Actions.

## ANALYSIS

### **Impacts on the 2018-2019 General Fund Budget**

A summary of the adjustments by category is included below. More detail is provided in *Section IV: Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.

#### **Clean-Up Actions (-\$5.3 million)**

- **Development Fee Programs Reconciliation (-\$5.9 million)** –Year-end reconciliations of the revenues and expenditures in the Development Fee Programs are conducted to determine if revenues exceeded or fell below costs. To ensure that all development fees will be used solely to support development fee activities, any excess revenues and interest earnings above actual costs are placed in Development Fee Program Reserves. Based on 2017-2018 results, \$5.9 million is recommended to be added to the Development Program Fee Reserves (Building, Fire, Planning, and Public Works), preserving any net savings between revenues and expenditures in these programs.
- **Rebudgets/Clean-Up Adjustments (\$562,000)** – A series of adjustments are recommended to complete existing projects in 2018-2019 and to reflect any necessary technical budget adjustments or reconciliation actions. The Annual Report is the point in the budget process where action is required to rebudget unexpended funds from the prior year that were not anticipated when the Adopted Budget was approved, but are required to complete a project in the current year. Also recommended are actions that reduce previous rebudgets to reflect instances where expenditures, for which rebudgets were approved, actually occurred in 2017-2018, therefore, the funds are not available for rebudget to 2018-2019. Other technical adjustments include the reconciliation of restricted program funding (e.g. 4<sup>th</sup> Street Garage Banquet Facility Maintenance and Operations, Artificial Turf Capital Replacement, Certified Access Specialist Program, Contractual Street Tree Planting, General Plan Update, and Government Access activities).

#### **Recommended Budget Adjustments (-\$5.3 million)**

A number of General Fund budget adjustments, with a total net cost of \$5.3 million are recommended and can be classified under three categories: 1) Required Technical/Rebalancing Actions (net cost of \$4.8 million) that align already approved revenue estimates and expenditure budgets with the most current tracking information, reallocate funding among appropriations based on updated needs, to correct technical problems in the 2018-2019 Adopted Budget, or comply with actions previously authorized by the City Council; 2) net-zero Grants/Reimbursement/Fee Activities actions to recognizing new or adjust grant, reimbursement, or fee activity revenue, and adjust the appropriations for these purposes as appropriate; and 3) Urgent Fiscal/Program Needs (cost of \$532,000) brought forward for City Council consideration as part of this report, rather than later through the annual budget process, because the Administration has deemed the need cannot or should not wait until later in the year.

## ANALYSIS

### Impacts on the 2018-2019 General Fund Budget

- **Required Technical/Rebalancing Actions (-\$4.8 million)**
  - ***Sales Tax*** – increase the Sales Tax revenue estimate by \$5.0 million, from \$233.5 million to \$238.5 million to recognize additional General Sales Tax. The California Department of Tax and Fee Administration (CDTFA) implemented a new automated system in May 2018, which has resulted in 3<sup>rd</sup> and 4<sup>th</sup> quarter Sales Tax receipts for 2017-2018 not being fully disbursed to jurisdictions during the quarter in which the tax revenue was received. The CDTFA is processing the outstanding payments, and based on information from the City’s Sales Tax consultant, it is anticipated that the CDTFA will include the missed payments in the 1<sup>st</sup> or 2<sup>nd</sup> quarter 2018-2019 disbursements. The recommended increase to the 2018-2019 Sales Tax estimate conservatively accounts for the underpayment in 2017-2018. (\$5.0 million)
  - ***Police Department Personal Services*** – increase the Police Personal Services appropriation by \$4.0 million to address higher than budgeted costs due primarily to increased overtime. The Police Department has worked diligently to fill vacancies in both sworn and civilian positions. In 2017-2018, 176 positions were filled and placed in three Recruit Academies. Vacancy savings have been used to backfill positions in Patrol in recent years. However, as the Department has filled vacancies these savings have decreased. While the goal is to fill the vacancies and eliminate the need to backfill positions, new recruits are in academy training and field training for 10-12 months and are not available to respond to calls for service. Because overtime has been used to staff Patrol while the officers are in training, without the associated vacancy savings, Personal Services are projected to exceed the budget. (-\$4.0 million)
  - ***Transfers and Reimbursements Revenue Estimate*** – decrease the estimate for overhead reimbursements by \$2.1 million to recognize the impact of a recalculation of the overhead rated applied to various Special and Capital Funds. (-\$2.1 million)
  - ***City Hall HVAC Control System Replacement*** – increase the project budget by \$1.2 million (from \$7.8 million to \$9.0 million) to reflect the latest engineer’s estimate, inclusive of soft costs and contingency. Replacement parts for the current HVAC system are no longer manufactured, leaving the equipment at risk for failure. (-\$1.2 million)
  - ***Building Development Fee Program Reserve*** – increase the Building Development Fee Program Reserve by \$598,000 to reflect the savings from two positions that will no longer be funded by the Building Development Fee Program. The positions, a Senior Executive Analyst and an Executive Analyst that administer the Small Business Ambassador program, were inadvertently included in the costs of the Building Development Fee Program in the 2018-2019 Adopted Budget. These positions, however, should have been funded in the General Fund (non-fee supported). Personal services adjustments are also recommended to reflect this funding shift. (-\$598,000)



## ANALYSIS

### **Impacts on the 2018-2019 General Fund Budget**

- ***Information Technology Department Non-Personal/Equipment*** – increase the budget for the Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure Project by \$504,000 to reflect higher than anticipated project bids and the inclusion of Software Defined Networking (SDN). This project replaces the Information Technology Department's central aging computers, storage, and virtualization equipment to converged or hyper-converged infrastructure technologies to support departmental needs for growth, business resumption, and reliability. (-\$504,000)
- ***Contingency Reserve*** – increase the Contingency Reserve by \$500,000, from \$36.5 million to \$37.0 million. Per City Council Policy I-18, Operating Budget and Capital Improvement Program Policy, the General Fund Contingency Reserve is to be set at a minimum of 3% of the operating budget. This adjustment will ensure compliance with the 3% funding requirement for the 2018-2019 Budget. The purpose of this reserve is to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. (-\$500,000)
- ***Elections and Ballot Measures*** – increase the Elections and Ballot Measures appropriation by \$470,000, from \$2.2 million to \$2.7 million, to cover the cost of four city-wide measures in the November 2018 General Election. The 2018-2019 Adopted Budget included funding for two ballot measures. As approved by Council, the four ballot measures include: 1) Measure S: Construction Contract Procurement Modernization (modifies construction contract procurement and the City's bidding process); 2) Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond (issuance of General Obligation Bonds for the acquisition, construction, and completion of certain municipal improvements); 3) Measure U: 2018 Charter Amendments (related to Mayor and City Councilmember salaries and aligning the Charter with State law regarding competing measures in Municipal Elections); and 4) Measure V: Affordable Housing Bond (issuance of General Obligation Bonds for the acquisition, construction, and completion of affordable housing in the City of San José). 470,000)
- ***Local Sales Tax – Transfer to the Airport Revenue Fund (Jet Fuel)*** – increase the transfer to the Airport Revenue Fund by \$273,000 to account for Local Sales Tax revenue generated from jet fuel sales from October 2016 through June 2018 that had not yet been transferred to the Airport. Federal Aviation Administration (FAA) policy requires Sales Tax revenue from jet fuel sales located on Airport properties to be returned to the Airport. This policy applies to sales tax that went into effect after December 31, 1987, including the City's local Sales Tax. (-\$273,000)

## ANALYSIS

### **Impacts on the 2018-2019 General Fund Budget**

- ***BeautifySJ Litter Pilot*** – add funding in the amount of \$200,000 to support the BeautifySJ Litter Pilot Project. In the Mayor's March Budget Message for Fiscal Year 2018-2019, as approved by the City Council, the Administration was directed to examine the performance of the BeautifySJ landscape efforts and return with a recommendation for continuing or expanding the program in 2019-2020. As part of the pilot, the Administration identified a clear gap in the frequency of litter pick up in high trash load areas and recommends a creative and cost effective approach to test enhanced litter pick up through transitional employment agencies, such as Downtown Streets Team and the Goodwill. The \$200,000 allocation would be used to fill the gap in the frequency of litter pick up, and test the effectiveness of transitional employment services in providing the service at a more manageable cost. The effectiveness of the pilot program will be evaluated as part of the overall direction to examine performance of the BeautifySJ landscape efforts as part of the 2019-2020 budget process. (-\$200,000)
  
- ***Workers' Compensation Claims System*** – establish a Workers' Compensation Claims System appropriation to the Human Resources Department in the amount of \$145,000. The City Council approved a completely outsourced workers' compensation model on June 19, 2018. At that time, the budget for 2018-2019 did not include funding to maintain the current workers' compensation claims system (Navarisk) beyond the transition. An appropriation of \$145,000 is required to provide funding for this contract through 2018-2019. City staff are examining the City's options for termination of the Navarisk contract. (-\$145,000)
  
- ***Other Recommended Adjustments*** – several small adjustments resulting in a net increase of \$189,000 are recommended. These include: a decrease to the Urban Areas Security Initiative Grant – Police 2017 appropriation to correct the budget as the grant was inadvertently appropriated twice in the 2018-2019 Adopted Budget (\$105,000); an increase to the Transfers and Reimbursements revenue estimate to recognize a transfer from the Water Utility Fund to reflect additional Late Fee revenue received in 2017-2018 in the Water Utility Fund (\$92,000); the reallocation of St. James Park staffing costs from the General Fund to the St. James Park Management District Fund (\$12,000); and increase to Vietnamese-American Community Center Planning and Fundraising Capital Project to reflect funding received in 2017-2018 from the San José Parks Foundation (-\$16,000); and an increase to Fire Department Non-Personal/Equipment budget to provide matching funds for the Fire Prevention and Safety Grant (-\$4,000). (\$189,000)

## ANALYSIS

### Impacts on the 2018-2019 General Fund Budget

- **Net-Zero Adjustments/Position Adjustments** – Several net-zero adjustments are recommended to reallocate funding between Personal Services and Non-Personal/Equipment allocations to deliver services as well as to shift 1.0 Executive Analyst position (Housing Catalyst position added in 2018-2019) from the City Manager’s Office to the Office of Economic Development. In addition, technical adjustments are recommended to implement the actions brought forward to the City Council on June 26, 2018 associated with the Funding and Reimbursement Agreements with Mobilitie and Verizon for small cell permitting. These include the net addition of five positions in the Public Works Department and one position in the Transportation Department and some of the associated net-zero budget actions. Because the position changes and some budget actions were inadvertently omitted from the City Council Agenda, these actions need to be brought forward for City Council approval. (\$0)
- **Grants/Reimbursements/Fees (\$0)**
  - A series of net-zero adjustments (net revenues of \$1.2 million offset by net expenditures of \$1.2 million) are recommended to recognize new and updated revenues and expenditures for **Grants, Reimbursements, and/or Fees** for the following Departments: Public Works (net-zero expenditure adjustments of \$954,000); Parks, Recreation and Neighborhood Services (revenues and expenditures of \$502,000); Police (revenues and expenditures of \$398,000); Fire (revenues and expenditures of \$162,000); Mayor and City Council (revenues and expenditures of \$136,000); and Library (revenues and expenditures of \$18,000). These adjustments are further described in *Section IV. Recommended Budget Adjustments and Clean-Up/Rebudget Actions*.
- **Urgent Fiscal/Program Needs (\$532,000)**
  - This action increases the Fire Department’s Personal Services appropriation by \$532,000 to support staffing costs (overtime) for Active Shooter Training required under AB 1598. This funding will cover overtime for the 6.0 trainers to be trained and to conduct the trainings (\$86,000), and for 624 sworn staff to have 8 hours of active shooter training (\$446,000). AB 1598, filed in September 2014, amended the Health & Safety Code and the Penal Code relating to emergency response services to require the development collaborative protocols and relationships between local and state fire first response entities, including law enforcement agencies, fire departments, and emergency medical service providers and agencies, so these entities will act effectively, and in concert, to address active shooter incidents. This funding provides for the first of these trainings, with four-hour refresher courses to be provided every 18 months, for an annual estimated cost of \$137,000. Given the other scheduled trainings in 2018-2019, this course cannot be absorbed within the existing training allocation as initially envisioned.

## ANALYSIS

### **Impacts on the 2018-2019 General Fund Budget**

#### **Recommended Distribution of Remaining Fund Balance per City Council Policy I-18 (-\$5.0 million)**

Per Council Policy I-18, Operating Budget and Capital Improvement Program Policy, any ending fund balance that may be available after the close of the 2017-2018 fiscal year will be allocated 50% for unmet/deferred infrastructure and maintenance needs and 50% to offset any projected deficit for the following fiscal year. Based on the February 2018 Forecast, it is currently estimated that the General Fund will face a shortfall of approximately \$15.5 million in 2019-2020. To fully address this projected shortfall on a one-time basis, the 2018-2019 Adopted Budget includes a 2019-2020 Future Deficit Reserve of \$15.5 million. Because the 2019-2020 Future Deficit Reserve is fully funded, the remaining funds can be allocated to the following: Budget Stabilization Reserve and/or Contingency Reserve, unmet/deferred infrastructure and maintenance needs, and/or other one-time urgent funding needs. The remaining Ending Fund Balance of \$5.0 million is recommended to be allocated to unmet/deferred infrastructure needs and the Budget Stabilization Reserve as follows:

- ***City Hall Network Operations Center Main Switchboard Replacement*** – increase the project budget by \$3.0 million, from \$2.0 million to \$5.0 million, to support the final phase of the project, including the purchase and installation of equipment to transition the existing system to the Uninterrupted Power Supply. Any maintenance to the sole UPS system would take it offline, leaving the Network Operations Center (NOC) reliant on Pacific Gas and Electric power only. Should there be a power loss during that time, the emergency generator would not restore power for a period of seven seconds, which would crash the servers. The sole switchboard serving the NOC is served by one breaker, which cannot be maintained without shutting down the entire NOC. (-\$3.0 million)
- ***Pavement Maintenance Program*** – increase the project General Fund appropriation by \$1.325 million to advance the paving and repair of streets throughout the City. (-\$1.325 million)
- ***Budget Stabilization Reserve*** – increase the Budget Stabilization Reserve by \$700,000, from \$16.3 million to \$17.0 million. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be rebalanced within existing budget resources in any given year.

## ANALYSIS

### 2017-2018 Selected Special/Capital Funds Budget Performance

#### Airport Operating Funds

The Airport served 13.5 million passengers in 2017-2018, which was an overall increase of 17.2% from 2016-2017. Moreover, the 17.2% growth in annual enplanements at the Airport in 2017-2018 far exceeded the estimated level of 3.0%. For 2018-2019, passenger growth is anticipated to increase over the 13.5 million passengers in 2017-2018.



Additional airport activity categories that demonstrated growth as compared to last year include pounds of mail/freight/cargo, traffic operations, landed weights, gallons of aviation fuel sold, parking exits, and ground transportation trips.

Overall, revenue performance exceeded budget by \$14.9 million (9.6%). Airline Rates and Charges (combined total of landing fees and terminal rents) and all other operating categories, excluding transfers, ended the year at \$170.5 million, which was \$14.9 million above the budget of \$155.6 million. The positive variance is mainly attributed to the Parking & Roadway revenue category, which was above the budgeted estimate by \$9.2 million (18.1%) due to higher revenues from both economy and daily (long-term) parking and ground transportation, as well as Terminal Building Concession revenue, which was above the budgeted estimate by \$3.5 million (18.4%) associated with increased passenger levels.

The Airport Customer Facility and Transportation Fee Fund (Fund 519) and Airport Maintenance and Operating Fund (Fund 523) had a combined year-end expenditure savings of \$8.5 million (7.1%) compared to the budgeted levels of \$119.7 million. The \$2.9 million in personal services savings were the result of position vacancies experienced during the year. The non-personal/equipment expenditure savings of \$2.1 million resulted primarily from prioritizing needs and the terminal program. Additionally, the elimination of the Airport Reserve for Retiree Healthcare resulted in an additional \$893,000 of year-end savings. The higher revenue and expenditure savings resulted in a lower than anticipated transfer from the Airport Revenue Fund to the Airport Maintenance and Operating Fund. This allowed for paying down some variable rate commercial paper debt, which resulted in interest savings.

**ANALYSIS**

**2017-2018 Selected Special/Capital Funds Budget Performance**

**Self-Insured Medical Fund**

The Self-Insured Medical Fund was established in November 2016 for a plan effective date of January 1, 2017. Revenue in 2017-2018 ended the year slightly below (\$135,000) estimated levels at \$14.0 million. Expenditures ended the year below estimated levels at \$13.5 million (4.0%). As a result, the actual 2017-2018 total ending fund balance was \$429,000 above the estimate used in the development of the 2018-2019 Adopted Budget. While the fund ended the year in a slightly better position, budget adjustments were necessary in 2017-2018 to lower the revenue estimate to reflect the decline in enrollment and increase the Payment of Claims appropriation. Because this fund would have not been able to cover its costs in 2017-2018, a transfer of \$1.65 million from the General Fund was approved as part of the 2017-2018 year-end process to ensure the fund closed with a positive fund balance.

With continued lower revenues and higher expenditures, a \$3.0 million transfer from the General Fund to the Self-Insured Medical Fund was included in the 2018-2019 Adopted Budget. The Human Resources Department continues to actively pursue options to this self-funded plan and is working with the benefits consultant to evaluate alternative stop loss insurance limits to provide better coverage for large claims.

**Capital Fund Major Revenues**

A number of taxes and fees levied on construction and property resale (conveyance) activity provide a large source of revenue to the City’s Capital program. Except for the Sanitary Sewer Connection Fee, the 2017-2018 actual collections in these capital revenue categories ended the year above budgeted estimates. The chart below provides a comparison of estimated revenues to actual revenues for these types of revenues, and a discussion of the three largest revenue sources follows.

**Construction-Related Capital Program Revenues Comparison  
 (\$ in Thousands)**

	<b>2017-2018 Estimate*</b>	<b>2017-2018 Actuals</b>	<b>% Variance</b>
Construction and Conveyance Tax	\$42,000	\$48,127	14.6%
Building and Structure Construction Tax	\$21,000	\$21,466	2.2%
Construction Excise Tax	\$29,000	\$29,359	1.2%
Municipal Water System Fees	\$75	\$247	229.3%
Residential Construction Tax	\$200	\$328	64.0%
Sanitary Sewer Connection Fee	\$700	\$526	(21.0%)
Storm Drainage Connection Fee	\$200	\$324	62.0%

\* Revenue estimate used in the development of the 2018-2019 Adopted Capital Budget.

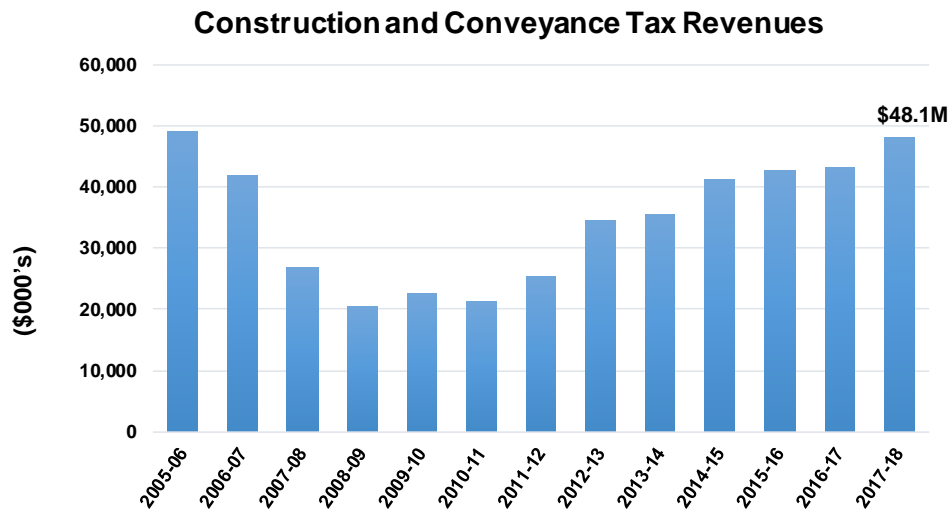
**ANALYSIS**

**2017-2018 Selected Special/Capital Funds Budget Performance**

• **Construction and Conveyance Tax**

Real estate activity (primarily housing re-sales) determines the collection level of one of the major capital revenue sources, the Construction & Conveyance (C&C) Tax. Approximately 99% of C&C Tax is derived from a tax imposed upon each transfer of real property, with the remaining 1% generated from a construction tax levied on most types of construction. C&C Tax revenues, which are a significant source of funds for the Parks and Community Facilities Development, Library, Fire, Service Yards, and Communications capital programs, totaled \$48.1 million in 2017-2018. This collection level was \$4.8 million (11.1%) above 2016-2017 collections of \$43.3 million, and \$6.1 million (14.6%) above the estimate of \$42.0 million that was assumed in the development of the 2018-2019 Adopted Capital Budget. The 2018-2019 Adopted Capital Budget was developed with the assumption that C&C tax receipts would total \$42.0 million in 2017-2018 and decrease to \$38.0 million in 2018-2019. With the stronger than anticipated performance in 2017-2018, the 2018-2019 C&C Tax revenue estimate allows for a 21.0% from 2017-2018 receipts. Collections in 2018-2019 will be closely monitored, and any necessary adjustment will be brought forward later in the fiscal year.

The following graph displays the history of Construction and Conveyance (C&C) Tax receipts.



The 2017-2018 tax receipts represent the highest collection level since the peak of \$49 million in 2005-2006. Changes in home prices and the number of sales are major drivers of C&C Tax receipts. The median home price for single family homes within the City increased from \$996,000 in June 2017 to \$1.225 million in June 2018, which represents a 23.0% increase. However, the number of home sales (single-family and multi-family dwelling units) decreased 4.7% from 7,883 in 2016-2017 to 7,513 in 2017-2018. Finally, the amount of time it takes to sell a home (single-family and multi-family dwelling units) decreased from an average of 18 days in June 2017 to an average 15 days in June 2018.

**ANALYSIS**

**2017-2018 Selected Special/Capital Funds Budget Performance**

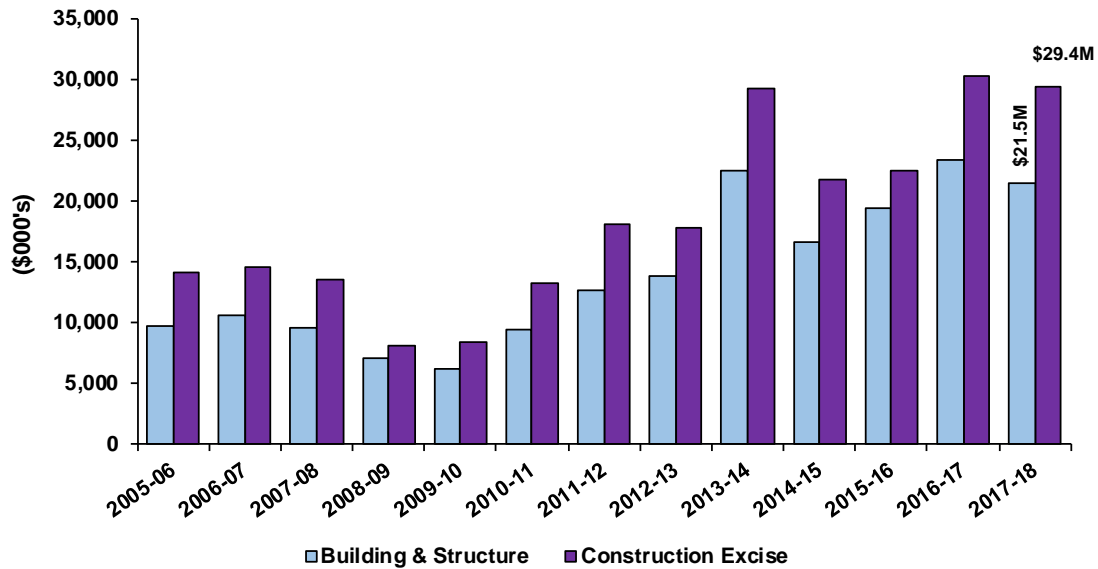
**Capital Fund Major Revenues**

- **Building and Structure Construction Tax and the Construction Excise Tax**

The Building and Structure Construction Tax and the Construction Excise Tax are major sources of funding for the Traffic Capital Program. Year-end collections in the Building and Structure Construction Tax category totaled \$21.5 million in 2017-2018. This collection level was 2.2% (\$500,000) above the revenue estimate of \$21.0 million used to develop the 2018-2019 Adopted Capital Budget, but \$1.9 million lower than the \$23.3 million received in 2016-2017. Construction Excise Tax receipts for 2017-2018 totaled \$29.4 million, 1.2% (\$400,000 million) above the revenue estimate of \$29.0 million used to develop the 2018-2019 Adopted Capital Budget, representing a 2.8% (\$829,000) decrease from 2016-2017 collections of \$30.2 million.

The graph on the following page displays the collection history of both the Building and Structure Construction Tax and Construction Excise Tax receipts. Valuation activity in 2016-2017 surpassed the historically high levels of 2013-2014, setting a new peak, and revenue growth has continued its upward trend from the low in 2009-2010. The status of these volatile taxes will be closely monitored throughout 2018-2019 to determine if budget actions are necessary to revise the revenue estimates

**Construction Tax Revenues**





## **ANALYSIS**

### **2017-2018 Selected Special/Capital Funds Budget Performance**

#### **Special and Capital Funds Budget Adjustments**

Several budget adjustments for both special and capital funds are included in this report, including recognition of grants, net-zero transfers/reallocations, new allocations for a small number of high priority projects and programs, and required fund rebalancing activity.

The Convention and Cultural Affairs Fund reserves total \$2.5 million for future capital improvements to convention and cultural affairs facilities, and provides funding of \$477,000 for targeted repairs and improvements, including: upgrading audio cores, speakers, and touchscreen monitors for digital signage (\$340,000) at the San José McEnery Convention Center, replacing door walls with integrated smoke detectors (\$50,000) and an obsolete portable wheel chair lift (\$40,000) at the San José McEnery Convention Center, replacing structural side arms for lighting fixtures (\$25,000) at the Center for the Performing Arts, replacing washers and dryers (\$12,000) that support multiple venues, and replacing stage and pony wall curtains (\$10,000) in the Montgomery Theater. In addition, \$400,000 is provided through the Convention Center Facility District Capital Fund to install protective stainless steel diamond plate covers for the 21 remaining concrete columns in the San José McEnery Convention Center that have not been addressed through prior authorized projects.

Included in this report are several recommended adjustments in the Parks and Community Facilities Development Capital Program. An allocation of \$309,000 to modify the traffic signal at Story Road and Remillard Court to support pedestrian and bicycle travel, offset by an elimination of the land acquisition project at the Bellevue Park (\$309,000) due to unavailability of land acquisition from private party. Other actions include an allocation of \$259,000 for higher than expected costs for a security fence and video security system at Happy Hollow Park and Zoo. The 2017 Parks Flood Projects, which rehabilitate City parks and recreation facilities damaged by the February 2017 storm event, reallocated funding within the flood remediation program to address updated project costs with a zero net impact to the original Parks budget of \$23.4 million.

In the Airport Capital Program, actions are recommended to fund the Interim Terminal Facility project using \$58.0 million of commercial paper instead of Airport reserves. Transactions during the year-end process facilitated the use of Airport reserves to allow the project to quickly proceed. On August 28, 2018, the City Council approved use of the Commercial Paper Program for the addition of the six gates; thereby preserving Airport reserves for other emergency needs. The new gates are planned to open in the summer of 2019. A notable adjustment in the Traffic Capital Program is the funding of \$300,000 allocated from the Route 101/Oakland/Mabury New Development Reserve to provide support for the transportation study in the Berryessa BART Urban Village area to inform the Urban Village and Flea Market South planning efforts. This work will result in clear direction for a balanced transportation system that advances implementation of the Envision San José General Plan and the Urban Village vision for the area by improving access for all modes in ways that complement the desired urban design.

## **ANALYSIS**

### **2017-2018 Selected Special/Capital Funds Budget Performance**

#### **Special and Capital Funds Budget Adjustments**

The Municipal Improvements Capital program includes an allocation of \$1.2 million to the City Hall HVAC Project, increasing the total project funding from \$7.8 million to \$9.0 million. The revised amount is based on the latest engineer's estimate, including soft costs and contingency. Replacement parts for the current HVAC system are no longer manufactured, leaving the equipment at risk for failure. Also included is an allocation of \$3.0 million for the City Hall Network Operations Control (NOC) Center Switchboard Replacement, increasing the budget from \$2.0 million to \$5.0 million, to fund the final phase of the project. The final phase will include the purchase and installation of equipment to transition the existing system to the uninterrupted power supply. Currently, a power loss would not restore power for a period of seven seconds, which would crash the network servers. The sole switchboard serving the NOC is served by one breaker, which cannot be maintained without cutting power and shutting down the entire NOC.

Finally, the rebudget of unexpended funds for projects and programs extending into 2018-2019 is recommended in this report. Details of these adjustments can be found in Section IV of this report.

#### **NEXT STEPS**

The results of the 2017-2018 Annual Report will provide an updated starting point for monitoring 2018-2019 financial performance, with the observed revenue and expenditure trends factored into the analysis of the General Fund and numerous special and capital funds. Information on the City's budget for 2018-2019 will be provided in the Bi-Monthly Financial Reports and the 2018-2019 Mid-Year Budget Review.

The 2017-2018 Annual Report results will also be factored into the 2019-2020 budget development process. The General Fund Five-Year Forecast is scheduled to be released in late February 2019. The 2019-2020 Proposed Capital and Operating Budgets are scheduled to be released on April 22, 2019 and May 1, 2019, respectively.

#### **PUBLIC OUTREACH/INTEREST**

This document is posted on the City's website for the October 16, 2018, City Council agenda.

#### **COORDINATION**

The City Manager's Budget Office coordinated with the Finance Department on the reconciliation of the City's funds and coordinated with all City Departments and City Council appointees, as applicable, on recommended budget adjustments that are brought forward in this document.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **CONCLUSION**

Through careful fiscal management, overall revenues for the various City funds ended the year close to estimated levels and expenditures were below budgeted allocations. When the 2017-2018 Adopted Budget was developed, it was assumed that economic growth would continue. Economic indicators and actual revenue performance supported this general assumption, with a number of revenue categories, such as Property Tax, Transient Occupancy Tax, and Construction and Conveyance Tax, experiencing strong growth. Those revenue categories associated with private development and construction projects, such as development-related fees and taxes, also continued to experience solid performance in 2017-2018.

In the General Fund, the additional fund balance at the end of 2017-2018 after considering clean-up adjustments totaled \$10.4 million. Recommendations are included in this report to allocate those funds to various required technical and rebalancing actions (\$4.8 million) and to address an urgent fiscal/program need (\$532,000). In addition, net-zero adjustments to various grants, reimbursements and fee activities are included along with a series of technical adjustments. After these adjustments, the remaining fund balance of \$5.0 million is recommended to be distributed in accordance with City Council Policy I-18. These funds are recommended to support unmet/deferred infrastructure needs, including the City Hall Network Operations Center Main Switchboard Replacement (\$3.0 million) and the Pavement Maintenance Program (\$1.3 million), and to increase the Budget Stabilization Reserve (\$0.7 million) from \$16.3 million to \$17 million.

The Administration will continue to monitor and report on the City's budget performance through the Bi-Monthly Financial Reports and the Mid-Year Budget Review. The financial results of 2017-2018, as well as the actual performance in 2018-2019, will be factored into the development of the 2019-2020 budget. The 2020-2024 General Fund Five-Year Forecast will be released in February 2019 for budget planning purposes.



Margaret McCahan  
Budget Director

**CERTIFICATION OF FUNDS**

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in fiscal year 2018-2019 monies in excess of those heretofore appropriated therefrom:

General Fund	\$20,905,072
Airport Passenger Facility Charge Fund	\$4,015,488
Airport Revenue Bond Improvement Fund	\$58,546,763
Airport Revenue Fund	\$514,557
Benefit Funds – Life Insurance Fund	\$5,738
Benefit Funds – Self-Insured Medical Fund	\$353,221
Benefit Funds – Unemployment Insurance Fund	\$160,256
Branch Libraries Bond Projects Fund	\$500,340
Building and Structure Construction Tax Fund	\$13,531,458
Business Improvement District Fund	\$22,224
Cash Reserve Fund	\$21
City Hall Debt Service Fund	\$773,150
Community Development Block Grant Fund	\$1,781,496
Community Facilities District Fund #1	\$38,197
Community Facilities District Fund #11	\$4,736
Community Facilities District Fund #12	\$139,657
Community Facilities District Fund #13	\$49,154
Community Facilities District Fund #14	\$16,502
Community Facilities District Fund #15	\$18,735
Community Facilities District Fund #16	\$140,799
Community Facilities Revenue Fund	\$933,998
Construction and Conveyance Tax – Central Fund	\$477,465
Construction and Conveyance Tax – Communications	\$275,819
Construction and Conveyance Tax – Fire	\$1,564,754
Construction and Conveyance Tax – Library	\$1,293,966
Construction and Conveyance Tax – Council District 1	\$412,405
Construction and Conveyance Tax – Council District 2	\$487,046
Construction and Conveyance Tax – Council District 3	\$138,958
Construction and Conveyance Tax – Council District 4	\$303,598
Construction and Conveyance Tax – Council District 5	\$503,402
Construction and Conveyance Tax – Council District 6	\$272,904
Construction and Conveyance Tax – Council District 7	\$477,880
Construction and Conveyance Tax – Council District 8	\$717,676
Construction and Conveyance Tax – Council District 9	\$239,074
Construction and Conveyance Tax – Council District 10	\$223,710
Construction and Conveyance Tax – Parks Yards	\$207,599
Construction and Conveyance Tax – Service Yards	\$630,152
Construction Excise Tax Fund	\$22,841,428

**CERTIFICATION OF FUNDS**

Contingent Lien District Fund	\$879,239
Convention and Cultural Affairs Fund	\$3,572,721
Convention and Cultural Affairs Capital Fund	\$3,151,203
Convention Center Facilities District Revenue Fund	\$2,934,169
Convention Center Facilities District Capital Fund	\$979,173
Downtown Property and Business Improvement District Fund	\$151,813
Emma Prusch Fund	\$13,435
General Purpose Parking Fund	\$2,715,401
General Purpose Parking Capital Fund	\$8,902,599
Home Investment Partnership Program Fund	\$3,319,479
Housing Trust Fund	\$528,626
Ice Centre Revenue Fund	\$2,375,818
Improvement District Fund	\$24,884
Integrated Waste Management Fund	\$264,957
Lake Cunningham Fund	\$13,714
Library Parcel Tax Fund	\$1,416,209
Library Parcel Tax Capital Fund	\$137,407
Low and Moderate Income Housing Asset Fund Maintenance District Fund #1	\$12,530,549
Maintenance District Fund #13	\$50,207
Maintenance District Fund #19	\$24,416
Maintenance District Fund #20	\$14,287
Maintenance District Fund #21	\$8,952
Major Facilities Fund	\$2,096
Municipal Golf Course Fund	\$475,955
Neighborhood Security Bond Fund	\$331,032
Parks and Recreation Bond Projects Fund	\$164,006
Public Works Program Support Fund	\$2,381,357
Residential Construction Tax Contribution Fund	\$1,001,701
San José Arena Capital Reserve Fund	\$139,517
San José-Santa Clara Treatment Plant Capital Fund	\$1,502,047
San José-Santa Clara Treatment Plant Operating Fund	\$10,143,336
Sanitary Sewer Connection Fee Fund	\$437,149
Sewage Treatment Plant Connection Fee Fund	\$865,183
Sewer Service and Use Charge Fund	\$349,527
Sewer Service and Use Charge Capital Improvement Fund	\$569,984
South Bay Water Recycling Capital Fund	\$9,553,353
St. James Park Management District Fund	\$3,691,000
State Drug Forfeiture Fund	\$709,206
Storm Drainage Fee Fund	\$62,221
Storm Sewer Capital Fund	\$69,889
Subdivision Park Trust Fund	\$3,648,690
Transient Occupancy Tax Fund	\$2,304,505
	\$4,102,938

**CERTIFICATION OF FUNDS**

Underground Utility Fund	\$3,920,127
Water Utility Fund	\$1,085,701
Water Utility Capital Fund	\$49,902
Workforce Development Fund	\$932,672



Margaret McCahan  
Budget Director

**2017-2018**

**ANNUAL**

**REPORT**

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**D**EFINITIONS/

**G**LOSSARY OF **T**ERMS/

**F**UND **D**ESCRPTIONS





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## DEFINITIONS

- **Actuals vs. Budget/Estimate** – This document includes analyses of department appropriations and funds based on variances between the 2017-2018 actual revenues/expenditures and either the 2017-2018 Modified Budget or 2017-2018 estimates.
  - "Actuals" represent unaudited year-end close figures as of June 30, 2018.
  - "Budget" reflects the original 2017-2018 Adopted Budget plus Council-approved modifications to the Appropriation Ordinance and Funding Sources Resolution. This number represents the year-end budget.
  - "Estimates" are revenue/expenditure projections based on information available prior to June 30, 2018. These estimates were used in projecting the year-end fund balance, and consequently, the 2018-2019 Adopted Budget beginning fund balance.
  
- **Budgetary Basis vs. GAAP** – The figures used throughout the text of this report are presented in accordance with the budget. The Financial Statements section of this report, however, has been prepared using reports which, in many cases, have been adjusted to report transactions in accordance with generally accepted accounting principles (GAAP). Major differences between the budgetary basis and GAAP basis include:
  - Year-end encumbrances are recognized as the equivalent of expenditures for budgetary purposes. Encumbrances are not recognized as expenditures on a GAAP basis until recorded as actual expenditures. As a result, the expenditures and encumbrances have been combined in the text for a budgetary basis presentation, while the Financial Statements section presents expenditures and encumbrances separately.
  - In Governmental Funds, an amount for the current year's compensated absences is not recognized on a budgetary basis since annual expenditures related to vacation, sick leave, and compensatory time are budgeted as part of departmental personal services.
  - Certain loan transactions and debt service payments are not recognized as expenditures on a GAAP basis since these payments represent a reduction of an existing debt obligation. For budgetary purposes, however, these payments represent a "use of funds" and are budgeted as such.
  - Under the GAAP basis, grant resources that are restricted to capital acquisition or construction in an enterprise fund are identified as contributions of capital and are not recorded as revenue. For budgetary purposes, grant funding, such as this, is recognized as a source of funds.
  
- **Glossary of Terms** – Definitions of frequently used budgetary and accounting terms are presented on the next page.

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# GLOSSARY OF TERMS

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## **Appropriation**

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

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## **Base Budget**

Ongoing expense level necessary to maintain service levels previously authorized by the City Council.

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## **Capital Budget**

A financial plan of capital projects and the means of financing them for a given period of time.

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## **Capital Funds**

These funds account for resources designated to acquire, rehabilitate, or construct general fixed assets and major improvements.

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## **Capital Improvement Program (Five-Year)**

A plan, separate from the annual budget, which identifies all capital projects to be undertaken during a five-year period, along with cost estimates, method of financing, and a recommended schedule for completion.

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## **Carryover**

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

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## **Contingency Reserve**

An appropriation of funds to cover unforeseen events that occur during the budget year, such as emergencies, newly-required programs, shortfalls in revenue, or other eventualities.

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## **Contractual Services**

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

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## **Debt Service**

The amount required to pay interest on and to retire the principal of outstanding debt.

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## **Encumbrance**

Financial obligations such as purchase orders, contracts, or commitments which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

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## **Fiscal Year**

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

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## **Fund**

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

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## **Fund Balance**

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

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## **General Fund**

The primary operating fund used to account for all the revenues and expenditures of the City that are not related to special or capital funds.

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## **Non-Personal/Equipment Expenses**

Operating costs that are not related to personnel, such as supplies, training, contractual services, utilities, and vehicles.

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## **Operating Budget**

A financial plan for the provision of direct services and support functions.

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## **Personal Services**

Salary and fringe benefit costs of City employees.

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## **Rebudget**

Unspent and unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

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## **Reserve**

Funds budgeted for a particular purpose but not authorized for immediate obligation.

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## **Special Funds**

These funds account for revenues derived from specific taxes or other earmarked revenue sources and are usually required by statute, charter provision, local ordinance, or federal grant regulation to finance particular functions of the City.

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## **Transfers**

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

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# FUND DESCRIPTIONS

## **Airport Capital Funds**

These Enterprise Funds account for the Airport's capital expenditures and revenues and consist of the following: Airport Capital Improvement Fund; Airport Revenue Bond Improvement Fund; Airport Renewal and Replacement Fund; and Airport Passenger Facility Charge Fund.

## **Airport Operating Funds**

These Enterprise Funds account for the operation of the Airport and consist 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.

## **Benefit Funds**

These Internal Service Funds account for the provision and financing of benefits to City employees, retirees, and their dependents. It consists of the Dental Insurance Fund, Life Insurance Fund, Unemployment Insurance Fund, Self-Insured Medical Fund, and Benefit Fund.

## **Branch Libraries Bond Projects Fund**

This Capital 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 the acquisition of property and the expansion and construction of branch libraries.

## **Building and Structure Construction Tax Fund**

This Capital Fund accounts for the 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.

## **Business Improvement District Fund**

This Special Revenue Fund accounts for assessments involving Business Improvement District activities.

## **Cash Reserve Fund**

In the City's Comprehensive Annual Financial Report, this fund is grouped with the City's General Fund. This accounts 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**

This Special Revenue Fund accounts for the debt service payments for City Hall and the City Hall off-site parking garage. 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

### **Community Development Block Grant Fund**

This Special Revenue 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 Assessment District Funds**

These Special Revenue Funds account for the maintenance and administration of assessment districts throughout the City.

### **Community Facilities Revenue Fund**

This Special 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 facilities-related debts.

### **Construction and Conveyance Tax Funds**

These Capital Funds account for Construction and Conveyance tax receipts. 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 Development, Communications, Public Safety (for Fire capital purposes), Library, and Service Yards Capital Programs.

### **Construction Excise Tax Fund**

This Capital Fund accounts for the 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.

### **Contingent Lien District Fund**

This Capital Fund accounts for cost sharing agreements through special districts between private parties in regards to the construction of public improvements as required by the City for development purposes. The use of this fund is restricted to completing any unconstructed improvements specified in the engineer's report as approved by the City Council.

### **Convention and Cultural Affairs Capital Fund**

This Capital Fund accounts for transfers received from the Convention Center and Cultural Affairs Fund for the use of capital improvements and repairs to the McEnery Convention Center and other City owned Cultural Facilities.

### **Convention and Cultural Affairs Fund**

This Special Revenue Fund accounts for the costs of managing and operating the San José McEnery Convention Center, California Theatre, Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theatre, Parkside Hall, South Hall, and their related facilities and grounds.

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## FUND DESCRIPTIONS

### **Convention Center Facilities District Capital Fund**

This Capital Fund, supported by transfers from the Convention Center Facilities District Revenue Fund, accounts for capital rehabilitation and improvements to the San Jose McEnery Convention Center.

### **Convention Center Facilities District Revenue Fund**

This Special Revenue Fund accounts for Special Tax revenues collected by the City on behalf of the Convention Center Facilities District No. 2008-1.

### **Downtown Property and Business Improvement District Fund**

This Special Revenue 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.

### **Economic Development Administration Loan Fund**

This Special Revenue Fund accounts for federal funds and loan repayments associated with the economic development administration program, which provides 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.

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

This Special Revenue 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.

### **Emergency Reserve Fund**

This Special Revenue Fund accounts for reserves established from local revenues to meet public emergencies.

### **Emma Prusch Memorial Park Fund**

This Capital Fund accounts for the development and improvement of the Emma Prusch Memorial Park.

### **Federal Drug Forfeiture Fund**

This Special Revenue 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 Code. 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.

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## FUND DESCRIPTIONS

### **Gas Tax Maintenance and Construction Funds**

These Special Revenue Funds account for 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 Capital Fund**

This Capital Fund accounts for capital construction of certain parking facilities. The parking system provides parking to the general public. This Fund is supported by a transfer from the General Purpose Parking Fund.

### **General Purpose Parking Fund**

This Enterprise Fund accounts for the operation of City parking lot facilities and parking meters.

### **Gift Trust Fund**

This Special Revenue Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City.

### **Home Investment Partnership Program Trust Fund**

This Special Revenue 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**

This Special Revenue Fund accounts for funding to assist non-profit service providers and organizations by providing one-time grants for housing-related projects.

### **Ice Centre Revenue Fund**

This Special 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 facilities-related debts, as well as facility capital repair and renovation.

### **Improvement District Fund**

This Special Revenue Fund accounts for revenues and expenditures related to the acquisition and construction of a variety of public infrastructure projects for which individual improvement districts were formed.

### **Integrated Waste Management Fund**

This Special Revenue 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.



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# FUND DESCRIPTIONS

## **Lake Cunningham Fund**

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

## **Library Parcel Tax Fund**

This Special Revenue Fund accounts for annual parcel tax revenues used for enhancing the City's library services and facilities.

## **Library Parcel Tax Capital Fund**

This Capital Fund supports Library Program capital improvements and is funded by a transfer from the Library Parcel Tax Fund revenue.

## **Low and Moderate Income Housing Asset Fund**

This Special Revenue Fund accounts for housing assets and functions related to the Low and Moderate Income Housing Program retained by the City. This fund provides funding for the administrative costs associated with managing the Successor Housing Agency assets and the continuation of affordable housing programs in the future.

## **Major Collectors and Arterial Fund**

This Capital Fund accounts for the collection of monies owed by developers for previously completed street improvements.

## **Major Facilities Fund**

This Capital Fund accounts for fees associated with the connection of municipal water activities for many water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas. These fees are assessed for the future construction of large water mains, reservoirs, and other large projects.

## **Multi-Source Housing Fund**

This Special Revenue 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 non-profit 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**

This Special Revenue 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.

## **Neighborhood Security Act Bond Fund**

This Capital Fund accounts for General Obligation Bond proceeds authorized by voters on the March 2002 ballot (Measure O). This fund is dedicated for the acquisition of real property and construction and rehabilitation of public safety-related facilities.

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## FUND DESCRIPTIONS

### **Parks and Recreation Bond Projects Fund**

This Capital 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.

### **Public Works Program Support Fund**

This Internal Service Fund accounts for Public Works administrative costs, compensated absences, unfunded 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 Works' staff spends on the project and corresponding revenue is received by this fund.

### **Residential Construction Tax Contribution Fund**

This Capital Fund accounts for taxes imposed upon the construction of single-family dwelling units or any mobile home lots in the City. The tax 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.

### **Retirement Funds**

These Trustee Funds account for the accumulation of resources to be used for retirement annuity payments and consist of the following: Federated Retiree Health Care Trust Fund; Federated Retirement Fund; Fire Retiree Health Care Trust Fund; Police Retiree Health Care Trust Fund; and Police and Fire Retirement Fund.

### **San José Arena Capital Reserve Fund**

This Capital Fund provides funding for repairs and replacements of capital items at the San José Arena, including fixtures, machinery, and equipment. The fund receives revenues from San José Arena Management, the ownership group of the San Jose Sharks, and a General Fund contribution supported by revenue generated from the Arena. The amount of funding and the eligible capital repair items are specified by agreement between the City of San José and the San José Arena Management.

### **San José Clean Energy Operating Fund**

This Enterprise Fund accounts for revenues from the sale of electricity and the costs of the San José Clean Energy Program.

### **San José Municipal Stadium Capital Fund**

This Special Revenue Fund accounts for revenues received pursuant to an agreement with the Baseball Acquisition Company for the use, operation, and management of the Municipal Stadium.

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## FUND DESCRIPTIONS

### **San José-Santa Clara Treatment Plant Capital Fund**

This Capital Fund accounts for the construction of improvements to the 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**

This Enterprise Fund accounts for revenues and expenditures not related to the day-to-day operation and maintenance of the WPCP. It contains the City's share of revenue from activities such as land rentals, legal settlements, and purchase of land located at the WPCP.

### **San José-Santa Clara Treatment Plant Operating Fund**

This Enterprise Fund accounts for the revenues and expenditures required for day-to-day operation and maintenance of the WPCP.

### **Sanitary Sewer Connection Fee Fund**

This Capital Fund accounts for connection fees charged to developers for access to the City's sanitary sewer system. Funds are restricted to the construction and reconstruction of the sewer system.

### **Sewage Treatment Plant Connection Fee Fund**

This Enterprise Fund accounts for revenues from new residential, commercial, and industrial connections to the WPCP. These revenues pay the City's share of acquisition, construction, reconstruction or enlargement of the WPCP.

### **Sewer Service and Use Charge Capital Improvement Fund**

This Capital Fund accounts for the reconstruction of the sanitary sewer system and is funded primarily by annual transfers from the Sewer Service and Use Charge Fund.

### **Sewer Service and Use Charge Fund**

This Enterprise Fund accounts for Sewer Service and Use Charge fees collected from San José property owners to be used for financing, construction, and operation of the City's sewage collection system, and the City's share of the WPCP.

### **South Bay Water Recycling Capital Fund**

This Capital Fund accounts for the acquisition, construction, and installation of recycled water system capital improvements related to the utility's hydraulic capacity and reliability. Funding is derived from revenue generated by recycled water sales, and as recommended by the Treatment Plant Advisory Committee and approved by the City of San Jose, the administering agency.

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## FUND DESCRIPTIONS

### **South Bay Water Recycling Operating Fund**

This Enterprise Fund accounts for the monies received from the sale of wholesale recycled water produced by the South Bay Water Recycling (SBWR) program for the operations and maintenance of the SBWR system.

### **St. James Park Management District Fund**

This Special Revenue Fund accounts for the donations from developers collected in the Downtown Parks Management District for the activation, operations, and maintenance at St. James Park.

### **State Drug Forfeiture Fund**

This Special Revenue Fund accounts 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.

### **Storm Drainage Fee Fund**

This Capital Fund accounts for fees collected from developers as a result of connections to the storm drainage sewer system, which may be used for expansion or capacity improvements of the storm drainage system or land acquisition for the system.

### **Storm Sewer Capital Fund**

This Capital Fund accounts for the construction and reconstruction of the storm drainage system, and is funded primarily by transfers from the Storm Sewer Operating Fund.

### **Storm Sewer Operating Fund**

This Special Revenue Fund accounts for revenues collected from owners of properties that benefit from the storm drainage system. Funds may be used for maintenance and operation of the storm drainage system. Expenditures are focused on maintenance and operation of the storm drainage system, as well as non-point source pollution reduction.

### **Subdivision Park Trust Fund**

This Capital 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**

This Special Revenue 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

### **Transient Occupancy Tax Fund**

This Special Revenue Fund accounts for receipts generated through the assessment of 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 Convention and Cultural Facilities.

### **Underground Utility Fund**

This Capital Fund accounts for fees collected from developers in lieu of placing utility facilities underground at the time of development. 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**

This Internal Service Fund accounts for the operation, maintenance, and replacement of City vehicles and equipment.

### **Water Utility Capital Fund**

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

### **Water Utility Fund**

This Enterprise Fund accounts for the operation of five water system districts: North San José, Evergreen, Coyote Valley, Edenvale, and Alviso. The water system provides services to the general public on a continuing basis and is financed through user charges.

### **Workforce Development Fund**

This Special Revenue Fund accounts for the administration of a federal program that provides primary employment and training services to dislocated and low-income residents.

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**I. BUDGET**

**PERFORMANCE**

**SUMMARY (ALL FUNDS)**





# 2017-2018 ANNUAL REPORT

## I. BUDGET PERFORMANCE SUMMARY

This section of the Annual Report summarizes 2017-2018 financial performance in the General Fund, Special Funds, and Capital Funds, with the following tables provided for reference.

**Comparison of Budget to Actual Revenues and Expenditures by Fund** – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2017-2018 Budgeted and Actual revenues as well as the 2017-2018 Budgeted and Actual expenditures, with the dollar and percent variance for each City fund. The revenue figures exclude the Beginning Fund Balance and Reserves and the expenditure figures exclude the Reserves and Ending Fund Balance.

As shown in the Comparison of Budget to Actual Revenues and Expenditures table, actual 2017-2018 revenues across all funds totaled \$3.0 billion, which was 2.9% (\$92.1 million) below the budgeted estimate of \$3.1 billion. In 2017-2018, expenditures totaled \$3.4 billion, which was 13.9% (\$546.4 million) below the modified budget of \$3.9 billion. Any funds with revenue or expenditure variances to the modified budget that are 10% or greater are numbered with a specific revenue or expenditure code, which are detailed at the bottom of the table.

**Comparison of Estimated to Actual 2017-2018 Ending Fund Balance** – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2017-2018 Modified Budget for each fund, followed by the estimated 2017-2018 Ending Fund Balance that was used in the development of the 2018-2019 Adopted Budget, the Actual 2017-2018 Ending Fund Balance, the variance between the Estimated and Actual Ending Fund Balance, the value of additional rebudgets recommended in this report, and the revised 2017-2018 Ending Fund Balance variance, should the recommended rebudgets be approved. The table then displays the percentage of the Modified Budget that the revised Ending Fund Balance represents. It is important to note that the dollar amount for the Modified Budget is not adjusted for transfers, loans, and contributions between funds, and therefore, overstates the total funding that was available between the combined funds.

The financial performance in 2017-2018 is used as the updated starting point for 2018-2019. The collective 2017-2018 Ending Fund Balances for all City funds totaled \$1.4 billion, which was \$84.1 million above the 2017-2018 Ending Fund Balance estimates of \$1.3 billion used in the development of the 2018-2019 Adopted Budget. After adjusting for additional rebudgets of \$31.8 million recommended in this report, the adjusted 2017-2018 Ending Fund Balance variance for all funds falls to \$52.3 million, or 1.1% of the 2017-2018 Modified Budget. The adjusted fund balance variance totaled \$10.4 million in the General Fund, \$57.8 million in the special funds, and -\$15.9 million in the capital funds.

# 2017-2018 ANNUAL REPORT

## I. BUDGET PERFORMANCE SUMMARY

For most funds, the Actual 2017-2018 Ending Fund Balance was above the estimate used in the development of the 2018-2019 Adopted Budget. In these instances, the additional fund balance is programmed as part of the 2017-2018 Annual Report actions. For the few funds where the 2017-2018 Actual Ending Fund Balance was below the estimate used in the development of the 2018-2019 Adopted Budget, actions are recommended in this report to bring the fund into balance with the lower starting point. In some instances, the variance is the result of the timing of revenues and/or expenditures and the reconciling actions will adjust for those timing differences.

**Summary of 2017-2018 Year-End Reserves by Fund** – This table, organized by General Fund, Special Funds, and Capital Funds, displays the 2017-2018 Contingency and Earmarked Reserves balances for each fund.

At the end of 2017-2018, the Contingency and Earmarked Reserves for all City funds totaled \$814.2 million, which represented 16.5% of the total 2017-2018 Modified Budget of \$4.9 billion (including interfund transfers, loans, and contributions). In the General Fund, Reserves totaled \$178.3 million.

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**COMPARISON OF BUDGET TO ACTUAL REVENUES AND EXPENDITURES BY FUND**

Fund	2017-2018 Budget Revenues	2017-2018 Actual Revenues	Revenue Variance	% Variance	2017-2018 Budget Expenditures	2017-2018 Actual Expenditures	Expense Variance	% Variance	Reason for Significant Variances
<i>General Fund</i>	<b>1,295,775,637</b>	<b>1,297,251,487</b>	<b>1,475,850</b>	<b>0.1%</b>	<b>1,404,722,525</b>	<b>1,338,019,812</b>	<b>66,702,713</b>	<b>4.7%</b>	See Section II
<i>Special Funds</i>									
Airport Customer Facility and Transportation Fee Fund	21,164,814	22,605,670	1,440,856	6.8%	20,977,568	20,727,368	250,200	1.2%	(See Section III)
Airport Fiscal Agent Fund	101,789,580	97,521,128	(4,268,452)	-4.2%	108,764,582	66,790,651	41,973,931	38.6%	E1
Airport Maintenance and Operation Fund	94,143,615	94,143,615	0	0.0%	96,003,675	90,516,350	5,487,325	5.7%	(See Section III)
Airport Revenue Fund	155,641,757	170,481,118	14,839,361	9.5%	185,362,330	180,097,266	5,265,064	2.8%	(See Section III)
Airport Surplus Revenue Fund	32,216,990	32,502,529	285,539	0.9%	31,216,990	13,264,400	17,952,590	57.5%	E1
Benefit Funds	92,202,393	86,853,158	(5,349,235)	-5.8%	93,103,550	86,672,801	6,430,749	6.9%	
Business Improvement District Fund	4,170,350	4,101,317	(69,033)	-1.7%	4,524,934	4,433,677	91,257	2.0%	R2
Cash Reserve Fund	42	81	39	92.9%	0	0	0	0.0%	R5
City Hall Debt Service Fund	26,108,810	26,628,802	519,992	2.0%	26,225,000	25,971,842	253,158	1.0%	
Community Development Block Grant Fund	10,976,038	10,788,437	(187,601)	-1.7%	16,477,223	10,409,883	6,067,340	36.8%	E1, E3
Community Facilities Revenue Fund	9,224,170	8,792,975	(431,195)	-4.7%	9,375,307	8,035,478	1,339,829	14.3%	E1
Convention and Cultural Affairs Fund	15,002,973	15,057,589	54,616	0.4%	20,786,005	19,259,642	1,526,364	7.3%	R1, E1
Convention Center Facilities District Revenue Fund	33,260,892	35,348,842	2,087,950	6.3%	18,796,100	18,831,773	(35,673)	-0.2%	
Downtown Property and Business Improvement District Fund	3,103,492	3,192,815	89,323	2.9%	3,013,561	3,013,556	5	0.0%	R1
Economic Development Administration Loan Fund	910	94	(816)	-89.7%	0	0	0	0.0%	R6
Edward Byrne Memorial Justice Assistance Grant Trust Fund	5,386	1,505	(3,881)	-72.1%	128,345	126,847	1,498	1.2%	R4, E4
Emergency Reserve Fund	17,000	22,258	5,258	30.9%	302,000	272,081	29,919	9.9%	R5
Federal Drug Forfeiture Fund	120,000	16,627	(103,373)	-86.1%	3,538,500	3,449,074	89,426	2.5%	R4, E1
Gas Tax Maintenance and Construction Funds	17,300,000	16,606,080	(693,920)	-4.0%	17,300,000	16,606,080	693,920	4.0%	
General Purpose Parking Fund	23,055,308	24,546,757	1,491,449	6.5%	33,529,927	32,527,130	1,002,797	3.0%	R1, E3
Gift Trust Fund	1,451,761	2,077,785	626,024	43.1%	5,254,924	1,242,827	4,012,097	76.3%	R5, E4
Home Investment Partnership Program Trust Fund	5,836,397	6,133,779	297,382	5.1%	7,449,797	3,396,234	4,053,563	54.4%	E1, E3
Housing Trust Fund	935,000	1,040,345	105,345	11.3%	3,366,020	2,797,628	568,392	16.9%	R1, R5, E2
Ice Centre Revenue Fund	1,943,991	1,923,814	(20,177)	-1.0%	4,492,586	2,071,591	2,420,995	53.9%	E1
Integrated Waste Management Fund	131,669,433	134,358,312	2,688,879	2.0%	138,983,708	135,445,355	3,538,353	2.5%	(See Section III)
Library Parcel Tax Fund	8,985,923	9,113,820	127,897	1.4%	11,239,221	10,034,605	1,204,616	10.7%	E3
Low and Moderate Income Housing Asset Fund	13,387,000	46,329,530	32,942,530	246.1%	43,148,146	23,234,360	19,913,786	46.2%	R5, E1, E3
Multi-Source Housing Fund	15,920,253	16,018,654	98,401	0.6%	26,682,462	14,208,686	12,473,776	46.7%	E1, E3
Municipal Golf Course Fund	3,220,000	3,247,545	27,545	0.9%	3,171,993	2,821,709	350,284	11.0%	E3
Public Works Program Support Fund	17,507,000	16,676,016	(830,984)	-4.7%	18,023,365	16,745,680	1,277,685	7.1%	
San José Arena Capital Reserve Fund	1,552,000	1,578,047	26,047	1.7%	3,762,825	2,261,825	1,501,000	39.9%	E1
San José Clean Energy Fund	6,113,000	897,488	(5,215,512)	-85.3%	5,613,000	1,149,385	4,463,615	79.5%	R6, E1

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**COMPARISON OF BUDGET TO ACTUAL REVENUES AND EXPENDITURES BY FUND**

Fund	2017-2018 Budget Revenues	2017-2018 Actual Revenues	Revenue Variance	% Variance	2017-2018 Budget Expenditures	2017-2018 Actual Expenditures	Expense Variance	% Variance	Reason for Significant Variances
<i>Special Funds</i>									
San José Municipal Stadium Capital Fund	110,020	110,020	0	0.0%	110,020	110,020	0	0.0%	
San José-Santa Clara Treatment Plant Operating Fund	247,169,946	250,607,301	3,437,355	1.4%	257,187,156	244,811,915	12,375,241	4.8%	(See Section III)
Special Assessment Maintenance District Funds	5,892,657	5,930,647	37,990	0.6%	9,796,261	8,289,505	1,506,756	15.4%	E1
St. James Park Management District Fund	16,800	1,932,977	1,916,177	11405.8%	522,132	347,886	174,246	33.4%	R1, E3
State Drug Forfeiture Fund	30,000	95,467	65,467	218.2%	556,554	549,108	7,446	1.3%	R3
Storm Sewer Operating Fund	33,209,379	33,369,086	159,707	0.5%	38,998,516	37,544,639	1,453,877	3.7%	
Supplemental Law Enforcement Services Fund	2,626,663	2,282,510	(344,153)	-13.1%	5,271,526	3,911,899	1,359,627	25.8%	R4, E4
Transient Occupancy Tax Fund	28,101,000	29,419,629	1,318,629	4.7%	34,910,829	30,121,520	4,789,309	13.7%	E2
Vehicle Maintenance and Operations Fund	23,001,163	21,475,363	(1,525,800)	-6.6%	24,765,793	23,291,492	1,474,301	6.0%	
Workforce Development Fund	11,963,008	9,402,486	(2,560,522)	-21.4%	12,614,075	9,539,959	3,074,116	24.4%	R4, E1
Water Utility Fund	47,471,000	48,300,149	829,149	1.7%	48,677,868	47,668,793	1,009,075	2.1%	(See Section III)
<b>Sub-Total Special Funds</b>	<b>1,247,617,914</b>	<b>1,291,532,167</b>	<b>43,914,253</b>	<b>3.5%</b>	<b>1,394,024,374</b>	<b>1,222,602,520</b>	<b>171,421,855</b>	<b>12.3%</b>	
<i>Capital Funds</i>									
Airport Capital Funds	69,449,000	51,963,430	(17,485,570)	-25.2%	100,893,225	65,939,375	34,953,850	34.6%	(See Section III)
Branch Libraries Bond Projects Fund	6,155,700	258,365	(5,897,335)	-95.8%	705,960	145,325	560,635	79.4%	R6, E1
Building and Structure Construction Tax Fund	38,984,069	30,022,260	(8,961,809)	-23.0%	71,555,308	44,285,351	27,269,957	38.1%	(See Section III),
Construction and Conveyance Tax Funds	81,703,000	75,607,901	(6,095,099)	-7.5%	127,971,161	86,505,611	41,465,551	32.4%	(See Section III)
Construction Excise Tax Fund	116,426,854	71,431,107	(44,995,747)	-38.6%	175,212,138	97,913,229	77,298,909	44.1%	(See Section III)
Contingent Lien District Fund	0	951,416	951,416	100.0%	460,595	13,393	447,202	97.1%	R5, E1
Convention and Cultural Affairs Capital Fund	10,887,000	10,910,349	23,349	0.2%	13,541,165	10,423,311	3,117,854	23.0%	E1
Convention Center Facility District Capital Fund	4,260,000	4,260,000	0	0.0%	19,597,421	18,810,973	786,448	4.0%	
Emma Prusch Park Fund	92,000	92,509	509	0.6%	164,000	108,074	55,926	34.1%	E1
General Purpose Parking Capital Fund	18,063,000	18,080,609	17,609	0.1%	18,063,000	9,178,010	8,884,990	49.2%	E1
Improvement District Fund	0	24,508	24,508	0.0%	1,856,038	1,855,662	376	0.0%	
Lake Cunningham Fund	490,000	719,649	229,649	46.9%	975,309	677,246	298,063	30.6%	R5, E1
Library Parcel Tax Capital Fund	2,930,000	2,932,005	2,005	0.1%	2,919,662	2,794,599	125,063	4.3%	R1, E3
Major Collectors and Arterials Fund	31,332	47,656	16,324	52.1%	45,000	0	45,000	100.0%	R5, E1
Major Facilities Fund	60,000	380,882	320,882	534.8%	1,765,800	41,801	1,723,999	97.6%	R1, E1 (See Section III)
Neighborhood Security Bond Fund	3,336,000	3,407	(3,332,593)	-99.9%	2,788,131	0	2,788,131	100.0%	R6, E1
Parks and Recreation Bond Projects Fund	56,000	344,356	288,356	514.9%	14,132,018	11,895,557	2,236,461	15.8%	R5, E1
Residential Construction Tax Contribution Fund	228,000	357,694	129,694	56.9%	716,000	388,030	327,970	45.8%	R1, E1
San José-Santa Clara Treatment Plant Capital Fund	180,938,000	101,648,258	(79,289,742)	-43.8%	371,943,469	317,831,030	54,112,439	14.5%	R6, E1 (See Section III)

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**COMPARISON OF BUDGET TO ACTUAL REVENUES AND EXPENDITURES BY FUND**

Fund	2017-2018	2017-2018	Revenue		2017-2018		2017-2018		Reason for Significant Variances
	Budget Revenues	Actual Revenues	Variance	% Variance	Budget Expenditures	Actual Expenditures	Expense Variance	% Variance	
<i>Capital Funds</i>									
Sanitary Sewer Connection Fee Fund	877,000	1,214,317	337,317	38.5%	3,782,903	2,461,365	1,321,538	34.9%	R1, E1 (See Section III)
Sewer Service and Use Charge Capital Improvement Fund	33,931,000	33,779,399	(151,601)	-0.4%	114,913,646	102,694,630	12,219,016	10.6%	E2
Storm Drainage Fee Fund	210,000	340,661	130,661	62.2%	422,859	412,772	10,087	2.4%	R1
Storm Sewer Capital Fund	16,147,485	16,104,596	(42,889)	-0.3%	38,026,577	24,826,264	13,200,313	34.7%	E1
Subdivision Park Trust Fund	80,000	25,931,035	25,851,035	32313.8%	44,678,351	23,258,050	21,420,301	47.9%	R5, E1
Underground Utility Fund	779,000	954,656	175,656	22.5%	2,426,000	390,175	2,035,825	83.9%	R5, E1
Water Utility Capital Fund	4,578,000	4,847,968	269,968	5.9%	7,715,074	6,190,981	1,524,093	19.8%	E1 (See Section III)
<b>Sub-Total Capital Funds</b>	<b>590,692,440</b>	<b>453,208,993</b>	<b>(137,483,447)</b>	<b>-23.3%</b>	<b>1,137,270,810</b>	<b>829,040,814</b>	<b>308,229,997</b>	<b>27.1%</b>	
<b>TOTAL ALL FUNDS</b>	<b>3,134,085,991</b>	<b>3,041,992,647</b>	<b>(92,093,344)</b>	<b>-2.9%</b>	<b>3,936,017,710</b>	<b>3,389,663,145</b>	<b>546,354,564</b>	<b>13.9%</b>	

Reasons for Significant Variances in Revenues

- R1 Revenues collected from taxes, fees, and charges came in higher than anticipated
- R2 Revenues collected from taxes, fees, and charges came in lower than anticipated
- R3 Revenues collected from grants and reimbursements came in higher than anticipated
- R4 Revenues collected from grants and reimbursements came in lower than anticipated
- R5 Interest earnings, developer/agency contributions, and other miscellaneous revenue came in higher than anticipated
- R6 Interest earnings, developer/agency contributions, and other miscellaneous revenue came in lower than anticipated
- R7 Transfers from various funds were higher than anticipated
- R8 Transfers from various funds were lower than anticipated

Reasons for Significant Variances in Expenditures

- E1 Expenditures were lower than anticipated due to the delay of projects and/or change in schedule of expenditures
- E2 Expenditures were lower than anticipated due to project/program savings
- E3 Expenditures were lower than anticipated due to lower operating costs (e.g., personal services and non-personal/equipment cost savings)
- E4 Expenditures were lower than anticipated due to unspent gifts
- E5 Expenditures/Transfers to various funds were lower than budgeted based on actual 2017-2018 activity

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**COMPARISON OF ESTIMATED TO ACTUAL 2017-2018 ENDING FUND BALANCE**

Fund	2017-2018 Modified Budget	2017-2018 Est. Ending Fund Balance	2017-2018 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments*	Revised Variance (incl. Rebudget Adjustments)	Revised Variance As % of Mod Budget
<i>General Fund</i>	1,585,834,025	233,635,080	249,290,063	15,654,983	(5,303,000)	10,351,983	0.7%
<i>Special Funds</i>							
Airport Customer Facility and Transportation Fee Fund	33,780,888	13,885,777	14,494,376	608,599	0	608,599	1.8%
Airport Fiscal Agent Fund	195,412,196	86,647,614	82,453,092	(4,194,522)	0	(4,194,522)	-2.1%
Airport Maintenance and Operation Fund	127,646,959	28,887,920	26,698,563	(2,189,357)	0	(2,189,357)	-1.7%
Airport Revenue Fund	255,473,651	101,494,086	101,735,352	241,266	0	241,266	0.1%
Airport Surplus Revenue Fund	50,219,707	19,002,717	19,288,846	286,129	0	286,129	0.6%
Benefit Funds	98,916,309	6,614,346	6,894,274	279,928	0	279,928	0.3%
Business Improvement District Fund	4,545,069	20,135	42,359	22,224	0	22,224	0.5%
Cash Reserve Fund	5,750	5,768	5,789	21	0	21	0.4%
City Hall Debt Service Fund	26,483,298	258,298	1,031,448	773,150	0	773,150	2.9%
Community Development Block Grant Fund	18,090,067	5,711,087	7,492,583	1,781,496	0	1,781,496	9.8%
Community Facilities Revenue Fund	12,152,589	2,756,664	3,690,662	933,998	0	933,998	7.7%
Convention and Cultural Affairs Fund	28,208,291	9,603,285	12,523,631	2,920,346	(333,890)	2,586,456	9.2%
Convention Center Facilities District Revenue Fund	42,887,308	23,209,316	26,143,485	2,934,169	0	2,934,169	6.8%
Downtown Property and Business Improvement District	4,450,478	1,374,432	1,526,245	151,813	0	151,813	3.4%
Economic Development Administration Loan Fund	7,546	6,736	6,730	(6)	0	(6)	-0.1%
Edward Byrne Memorial Justice Assistance Grant Trust	130,225	15,621	(503)	(16,124)	3,621	(12,503)	-9.6%
Emergency Reserve Fund	1,636,847	1,419,847	1,412,736	(7,111)	(30,000)	(37,111)	-2.3%
Federal Drug Forfeiture Fund	3,553,396	197,993	0	(197,993)	0	(197,993)	-5.6%
Gas Tax Maintenance and Construction Funds	17,300,000	17,300,000	16,606,080	(693,920)	0	(693,920)	-4.0%
General Purpose Parking Fund	52,609,787	21,098,931	23,814,332	2,715,401	(24,000)	2,691,401	5.1%
Gift Trust Fund	5,254,924	4,875,673	4,775,038	(100,635)	221,342	120,707	2.3%
Home Investment Partnership Program Trust Fund	13,279,444	6,861,113	10,180,592	3,319,479	0	3,319,479	25.0%
Housing Trust Fund	5,567,578	2,346,669	2,875,295	528,626	0	528,626	9.5%
Ice Centre Revenue Fund	8,633,821	4,166,235	6,542,053	2,375,818	0	2,375,818	27.5%
Integrated Waste Management Fund	161,144,721	28,123,288	28,388,245	264,957	15,575	280,532	0.2%

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**COMPARISON OF ESTIMATED TO ACTUAL 2017-2018 ENDING FUND BALANCE**

Fund	2017-2018 Modified Budget	2017-2018 Est. Ending Fund Balance	2017-2018 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments*	Revised Variance (incl. Rebudget Adjustments)	Revised Variance As % of Mod Budget
<i>Special Funds</i>							
Library Parcel Tax Fund	19,995,207	5,633,149	7,079,358	1,446,209	0	1,446,209	7.2%
Low and Moderate Income Housing Asset Fund	105,985,905	79,162,526	115,694,075	36,531,549	0	36,531,549	34.5%
Multi-Source Housing Fund	77,868,461	64,310,213	63,758,176	(552,037)	(38,656)	(590,693)	-0.8%
Municipal Golf Course Fund	3,428,930	306,937	637,969	331,032	0	331,032	9.7%
Public Works Program Support Fund	19,844,064	1,265,699	2,267,400	1,001,701	0	1,001,701	5.0%
San José Arena Capital Reserve Fund	6,139,881	2,402,056	3,904,103	1,502,047	0	1,502,047	24.5%
San José Clean Energy Fund	6,113,000	500,000	(251,897)	(751,897)	2,216,000	1,464,103	24.0%
San José Municipal Stadium Capital Fund	110,020	0	0	0	0	0	0.0%
San José-Santa Clara Treatment Plant Operating Funds	347,367,211	104,720,151	105,992,293	1,272,142	(340,000)	932,142	0.3%
Special Assessment Maintenance District Funds	20,053,255	11,296,420	11,295,618	299,198	0	299,198	1.5%
St. James Park Management District Fund	1,938,232	2,797,317	3,506,523	709,206	(25,000)	684,206	35.3%
State Drug Forfeiture Fund	565,385	19,522	81,743	62,221	0	62,221	11.0%
Storm Sewer Operating Fund	49,398,424	12,615,847	12,013,492	(602,355)	(100,000)	(702,355)	-1.4%
Supplemental Law Enforcement Services Fund	5,434,008	1,282,449	1,183,907	(98,542)	0	(98,542)	-1.8%
Transient Occupancy Tax Fund	36,553,557	3,659,928	7,762,866	4,102,938	(4,102,940)	(2)	0.0%
Vehicle Maintenance and Operations Fund	25,965,240	1,199,447	1,118,923	(80,524)	0	(80,524)	-0.3%
Water Utility Fund	61,398,255	13,473,000	14,558,701	1,085,701	0	1,085,701	1.8%
Workforce Investment Act Fund	13,182,688	593,478	1,082,207	488,729	907,107	1,395,836	10.6%
<b>Sub-Total Special Funds</b>	<b>1,968,732,572</b>	<b>691,121,690</b>	<b>750,606,760</b>	<b>59,485,070</b>	<b>(1,630,841)</b>	<b>57,854,229</b>	<b>2.9%</b>
<i>Capital Funds</i>							
Airport Capital Funds	115,898,247	36,160,064	32,366,860	(3,793,204)	7,031,607	3,238,403	2.8%
Branch Libraries Bond Projects Fund	7,084,130	541,130	4,041,470	3,500,340	(192,000)	3,308,340	46.7%
Building and Structure Construction Tax Funds	95,539,547	34,024,488	42,406,946	8,382,458	(7,081,000)	1,301,458	1.4%
Construction and Conveyance Tax Fund	169,078,489	69,778,079	77,310,031	7,531,952	273,000	7,804,952	4.6%
Construction Excise Tax Fund	225,668,710	64,483,308	82,759,735	18,276,427	(1,017,000)	17,259,427	7.6%
Contingent Lien District Fund	2,653,684	2,694,669	3,573,908	879,239	0	879,239	33.1%
Convention and Cultural Affairs Capital Fund	13,541,165	0	3,151,203	3,151,203	(2,018,000)	1,133,203	8.4%
Convention Center Facility District Capital Fund	19,597,421	211,000	790,169	579,169	(422,000)	157,169	0.8%
Emma Prusch Park Fund	390,719	269,719	283,155	13,436	(11,000)	2,436	0.6%

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**COMPARISON OF ESTIMATED TO ACTUAL 2017-2018 ENDING FUND BALANCE**

Fund	2017-2018 Modified Budget	2017-2018 Est. Ending Fund Balance	2017-2018 Actual Ending Fund Balance	Variance	Recommended Rebudget Adjustments*	Revised Variance (incl. Rebudget Adjustments)	Revised Variance As % of Mod Budget
<i>Capital Funds</i>							
General Purpose Parking Capital Fund	18,063,000	769,912	8,902,599	8,132,687	(8,132,000)	687	0.0%
Improvement District Fund	1,864,335	8,297	33,181	24,884	0	24,884	1.3%
Lake Cunningham Fund	2,520,464	1,689,863	1,703,577	13,714	(23,000)	(9,286)	-0.4%
Library Parcel Tax Capital Fund	2,919,662	0	137,407	137,407	(125,000)	12,407	0.4%
Major Collectors and Arterials Fund	1,650,627	1,655,627	1,666,951	11,324	0	11,324	0.7%
Major Facilities Fund	5,341,199	5,144,362	5,620,317	475,955	(124,000)	351,955	6.6%
Neighborhood Security Bond Fund	5,078,395	1,587,264	1,575,971	(11,293)	0	(11,293)	-0.2%
Parks and Recreation Bond Projects Fund	29,741,207	15,113,365	17,516,723	2,403,358	(2,091,000)	312,358	1.1%
Residential Construction Tax Contribution Fund	2,306,626	1,913,773	2,048,290	134,517	0	134,517	5.8%
San José-Santa Clara Treatment Plant Capital Fund	396,481,571	61,760,718	392,780	(61,367,938)	(7,381,000)	(68,748,938)	-17.3%
Sanitary Sewer Connection Fee Fund	5,395,655	2,429,997	3,277,180	847,183	0	847,183	15.7%
Sewer Service and Use Charge Capital Improvement Fund	118,283,490	6,807,890	16,052,243	9,244,353	(351,000)	8,893,353	7.5%
Storm Drainage Fee Fund	964,944	613,018	682,907	69,889	0	69,889	7.2%
Storm Sewer Capital Fund	39,140,624	10,684,160	14,332,850	3,648,690	(1,133,000)	2,515,690	6.4%
Subdivision Park Trust Fund	73,638,381	73,408,399	76,115,904	2,707,505	(1,376,000)	1,331,505	1.8%
Underground Utility Fund	6,446,612	4,005,966	7,926,093	3,920,127	0	3,920,127	60.8%
Water Utility Capital Fund	10,890,952	6,274,069	6,323,971	49,902	(694,000)	(644,098)	-5.9%
<b>Sub-Total Capital Funds</b>	<b>1,370,179,856</b>	<b>402,029,137</b>	<b>410,992,421</b>	<b>8,963,284</b>	<b>(24,866,393)</b>	<b>(15,903,109)</b>	<b>-1.2%</b>
<b>TOTAL ALL FUNDS</b>	<b>4,924,746,453</b>	<b>1,326,785,907</b>	<b>1,410,889,244</b>	<b>84,103,338</b>	<b>(31,800,234)</b>	<b>52,303,104</b>	<b>1.1%</b>



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**SUMMARY OF 2017-2018 YEAR-END RESERVES BY FUND**

<b>Fund</b>	<b>2017-2018 Contingency and Earmarked Reserves Balance</b>
<i>General Fund</i>	<b>\$178,294,727</b>
<i>Special Funds</i>	
Airport Customer Facility and Transportation Fee Fund	12,803,320
Airport Fiscal Agent Fund	86,647,614
Airport Maintenance and Operation Fund	28,887,920
Airport Revenue Fund	70,111,321
Airport Surplus Revenue Fund	19,002,717
Benefit Funds	3,826,731
Community Facilities Revenue Fund	2,250,432
Convention and Cultural Affairs Fund	6,950,000
Convention Center Facilities District Revenue Fund	20,761,500
General Purpose Parking Fund	5,603,314
Home Investment Partnership Program Trust Fund	15,312
Ice Centre Revenue Fund	3,544,555
Integrated Waste Management Fund	11,791,448
Library Parcel Tax Fund	3,102,837
Low and Moderate Income Housing Asset Fund	60,366,180
Multi-Source Housing Fund	44,042,281
San José Clean Energy Fund	500,000
San José-Santa Clara Treatment Plant Operating Funds	85,864,632
San José Arena Capital Reserve Fund	1,204,662
Special Assessment Maintenance District Funds	27,675
Storm Sewer Operating Fund	6,886,748
Transient Occupancy Tax Fund	20,108
Vehicle Maintenance and Operations Fund	240,149
Water Utility Fund	12,094,494
Workforce Investment Act Fund	531,118
<b>Sub-Total Special Funds</b>	<b>\$487,077,068</b>

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**SUMMARY OF 2017-2018 YEAR-END RESERVES BY FUND**

<b>Fund</b>	<b>2017-2018 Contingency and Earmarked Reserves Balance</b>
<i>Capital Funds</i>	
Branch Libraries Bond Projects Fund	5,905,000
Building and Structure Construction Tax Fund	19,162,631
Construction and Conveyance Tax Funds	16,627,000
Construction Excise Tax Fund	47,037,145
Contingent Lien District Fund	2,087,650
Lake Cunningham Fund	1,545,154
Major Facilities Fund	1,600,000
Parks and Recreation Bond Projects Fund	15,609,189
San José-Santa Clara Treatment Plant Capital Fund	5,000,000
Sewer Service and Use Charge Capital Improvement Fund	2,400,000
Subdivision Park Trust Fund	28,960,030
Water Utility Capital Fund	2,935,000
<b>Sub-Total Capital Funds</b>	<b>\$148,868,799</b>
<b>TOTAL ALL FUNDS</b>	<b>\$814,240,594</b>

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**II. GENERAL FUND  
BUDGET  
PERFORMANCE**



# 2017-2018 ANNUAL REPORT

## II. GENERAL FUND BUDGET PERFORMANCE

This section of the Annual Report summarizes the performance of the General Fund and is broken down into the following sections:

***General Fund Year-End Performance*** – This section provides data on the overall status of the General Fund at the end of 2017-2018. It includes a chart that compares the General Fund modified budget and actuals for sources, uses, and ending fund balance as well as a chart that compares the General Fund actuals to the estimates used in developing the 2018-2019 Adopted Budget.

***General Fund Revenue Performance*** – This section provides detail on the actual 2017-2018 General Fund revenue collections. This section includes a chart that compares the 2017-2018 Modified Budget to the actuals for each of the General Fund revenue categories. This chart is followed by a discussion of the performance in each category that includes an explanation of variances from the modified budget, any resulting current year implications for revenue estimates, and a comparison of the actual revenues to prior year collections to indicate collection trends and provide a historical perspective.

***General Fund Expenditure Performance*** – This section provides detail on the actual 2017-2018 General Fund expenditures. This section includes charts that compare the 2017-2018 Modified Budget to actuals for the major expenditure categories as well as the 2017-2018 year-end estimates to actuals for the total expenditures. The review of the General Fund expenditure performance also includes detailed information on departmental and non-departmental performance, including a discussion of significant variances as well as a chart on total expenditures by each category broken down in further detail. In addition, this section includes a discussion of significant departmental variances and highlights of non-departmental expenditures and variances.

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<b>2017-2018 ANNUAL REPORT</b>
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**GENERAL FUND YEAR-END PERFORMANCE**

The General Fund ended the year with an available 2017-2018 ending fund balance (unaudited) of \$249.3 million, as reflected in the following table:

**GENERAL FUND  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>2017-2018 Modified Budget</b>	<b>2017-2018 Budgetary Basis Actual</b>	<b>Variance</b>
<b>Sources</b>			
Beginning Fund Balance	241,172,873	241,172,873	-
Carryover Encumbrances	46,068,742	46,068,742	-
Liquidation of Carryover Encumbrances		2,816,773	2,816,773
<i>Subtotal</i>	<i>287,241,615</i>	<i>290,058,388</i>	<i>2,816,773</i>
Revenues	1,295,775,637	1,297,251,487	1,475,850
<b>Total Sources</b>	<b>1,583,017,252</b>	<b>1,587,309,875</b>	<b>4,292,623</b>
<b>Uses</b>			
Personal Services	814,841,275	807,240,325	(7,600,950)
Non-Personal/Equipment/Other	157,124,983	143,131,745	(13,993,238)
City-Wide Expenses	328,485,387	305,844,450	(22,640,937)
Capital Contributions	69,924,284	47,456,696	(22,467,588)
Transfers	34,346,596	34,346,596	-
Reserves	178,294,727	-	(178,294,727)
<b>Total Uses</b>	<b>1,583,017,252</b>	<b>1,338,019,812</b>	<b>(244,997,440)</b>
<b>Available Ending Fund Balance</b>		<b>249,290,063</b>	<b>249,290,063</b>

**Note:** In the chart above, the General Fund excludes the Emergency Reserve Fund and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2017-2018 Comprehensive Annual Financial Report (CAFR), the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.

<b>2017-2018</b> <b>ANNUAL REPORT</b>
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## GENERAL FUND YEAR-END PERFORMANCE

The actual ending fund balance of \$249.3 million exceeded the estimated ending fund balance level used in the development of the 2018-2019 Adopted Budget by \$15.7 million (0.5% of the 2017-2018 Modified Budget total sources and uses). However, once adjusted for clean-up actions recommended in this report associated with the close-out of 2017-2018, a true ending fund balance of \$10.4 million (0.3% of the 2017-2018 Modified Budget total sources and uses) remains in 2017-2018 and is available for allocation in 2018-2019. The elements of the Ending Fund Balance variance are illustrated in the following estimate to actual comparison chart.

### GENERAL FUND ESTIMATE TO ACTUAL COMPARISON FOR THE YEAR ENDED JUNE 30, 2018

	2017-2018 Estimate	2017-2018 Budgetary Basis Actual	Variance
<b>Sources</b>			
Beginning Fund Balance	241,172,873	241,172,873	-
Carryover Encumbrances	46,068,742	46,068,742	-
Liquidation of Carryover Encumbrances	2,500,000	2,816,773	316,773
<i>Subtotal</i>	289,741,615	290,058,388	316,773
Revenues	1,300,775,637	1,297,251,487	(3,524,150) <sup>1</sup>
<b>Total Sources</b>	<b>1,590,517,252</b>	<b>1,587,309,875</b>	<b>(3,207,377)</b>
<b>Uses</b>			
Expenditures	1,356,882,172	1,338,019,812	(18,862,360) <sup>1</sup>
<b>Total Uses</b>	<b>1,356,882,172</b>	<b>1,338,019,812</b>	<b>(18,862,360)</b>
<b>Ending Fund Balance</b>	<b>233,635,080</b>	<b>249,290,063</b>	<b>15,654,983</b>

<sup>1</sup> The 2018-2019 Adopted Budget included \$3.7 million in grant and reimbursement-related revenues and expenditures were not expected to be received in 2017-2018 and were rebudgeted to 2018-2019. This resulted in lower actual revenues and expenditures in 2017-2018, with no net impact to the General Fund. After factoring out the lower revenues and expenditures associated with these grants and reimbursements, the revenues variance actually resulted in a surplus of \$137,000 (.01%), rather than a shortfall of \$3.5 million, and the expenditures variance actually resulted in savings of \$15.2 million (1.1%), rather than savings of \$18.9 million.

**Note:** In the chart above, the General Fund excludes the Emergency Reserve Funds and Cash Reserve Fund, which are budgeted as separate funds and reflected separately in this document. In the 2017-2018 Comprehensive Annual Financial Report (CAFR), the Emergency Reserve Fund and Cash Reserve Fund will be displayed as part of the General Fund to comply with GASB 54 reporting requirements.



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## GENERAL FUND YEAR-END PERFORMANCE

A detailed analysis of the variances between the 2017-2018 Modified Budget and Budgetary Basis Actuals for revenues, expenditures, transfers, and reserves is provided in the following section. The variances for the Beginning Fund Balance and Liquidation of Carryover Encumbrances category are discussed in this section.

The actual 2017-2018 Beginning Fund Balance of \$241.2 million was consistent with the estimate. The actual 2017-2018 Liquidation of Carryover Encumbrances was \$2.8 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2016-2017 financial statements and the end of 2017-2018. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The actual liquidations in 2017-2018 of \$2.8 million were \$317,000 above the estimate of \$2.5 million that used in the development of the 2018-2019 Adopted Budget.

As noted on the chart on the previous page, after adjusting for \$3.7 million in grants and reimbursements that were not received or expended in 2017-2018, the final General Fund Ending Fund Balance represents a positive variance of \$15.7 million (0.5% of the 2017-2018 Modified Budget total sources and uses), which includes higher than estimated expenditures savings (\$15.2 million; 1.1%), slightly higher revenues (\$137,000; 0.01%), and liquidation of carryover encumbrances (\$317,000). After accounting for revenue and expenditure clean-up actions recommended in the Annual Report, including additional rebudgets, to close-out 2017-2018, \$10.4 million (0.3% of total sources and uses) in additional ending fund balance is available. The \$10.4 million positive fund balance variance is comprised of net expenditure savings of \$12.4 million (0.9%) and higher than estimated liquidation of prior year encumbrances of \$317,000, partially offset by lower revenues of \$2.4 million (-0.2%).

Recommendations for the allocation of the additional 2017-2018 Ending Fund Balance are provided elsewhere in this document.

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## GENERAL FUND REVENUE PERFORMANCE

The following table details actual 2017-2018 General Fund revenue collections as compared with the modified budget estimates:

**TABLE A**  
**2017-2018 GENERAL FUND REVENUE SUMMARY**  
**COMPARISON OF BUDGET TO ACTUAL**  
**(\$000s)**

Category	Modified Budget	Budgetary Basis Actual	Variance	% Variance
Property Tax	\$ 304,990,000	\$ 306,222,332	\$ 1,232,332	0.4%
Sales Tax	230,000,000	226,336,942	(3,663,058)	(1.6%)
Transient Occupancy Tax	18,720,000	19,530,772	810,772	4.3%
Franchise Fees	50,813,083	51,179,782	366,699	0.7%
Utility Tax	101,320,000	99,753,107	(1,566,893)	(1.5%)
Telephone Line Tax	20,000,000	20,480,699	480,699	2.4%
Business Taxes	68,385,000	70,673,106	2,288,106	3.3%
Licenses and Permits	59,269,916	60,502,727	1,232,811	2.1%
Fines, Forfeitures, and Penalties	15,336,284	14,353,995	(982,289)	(6.4%)
Rev. from the Use of Money/Property	5,705,000	7,929,821	2,224,821	39.0%
Revenue from Local Agencies	38,301,386	38,441,351	139,965	0.4%
Revenue from the State of California	16,447,460	15,721,031	(726,429)	(4.4%)
Revenue from Federal Government	5,808,333	5,590,625	(217,708)	(3.7%)
Fees, Rates, and Charges	48,191,983	50,703,142	2,511,159	5.2%
Other Revenue	223,637,309	218,951,265	(4,686,044)	(2.1%)
Subtotal	1,206,925,754	1,206,370,697	(555,057)	(0.0%)
Overhead Reimbursements	45,467,418	47,245,141	1,777,723	3.9%
Transfers	25,412,465	26,305,966	893,501	3.5%
Reimbursements for Services	17,970,000	17,329,683	(640,317)	(3.6%)
Subtotal	88,849,883	90,880,790	2,030,907	2.3%
<b>TOTALS<sup>1</sup></b>	<b>\$ 1,295,775,637</b>	<b>\$ 1,297,251,487</b>	<b>\$ 1,475,850</b>	<b>0.1%</b>

<sup>1</sup>Excludes Beginning Fund Balance.

The General Fund revenue performance for 2017-2018 is discussed in detail in this section. The 2017-2018 actual revenue receipts for each of the major revenue categories are compared to the modified budgets and any significant variances and resulting implications for current year revenue estimates are described. In addition, comparisons with prior fiscal year collection levels are included to indicate collection trends and to provide a historical perspective.

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## GENERAL FUND REVENUE PERFORMANCE

As shown in Table A, total revenue received in the General Fund in 2017-2018 was \$1.3 billion. This collection level was within 0.1%, or \$1.5 million, of the 2017-2018 Modified Budget. However, when the 2018-2019 Adopted Budget was developed, it was assumed that revenues would exceed the modified budget by approximately \$5 million and would generate additional fund balance. Revenues fell short of this estimate by \$3.5 million. After accounting for other reconciling items, including the Development Fee Program adjustments, rebudgets, and other clean-up actions, revenues ended the year \$2.4 million below the estimate.

The 2017-2018 collection level of \$1.3 billion was up \$189.2 million, or 17.1%, from the actual 2016-2017 collections of \$1.1 billion. Several revenue categories experienced growth in 2017-2018 compared to the prior year, including: Business Taxes; Other Revenue, Property Tax; Revenue from Local Agencies, Sales Tax; and Transient Occupancy Tax. These increases were partially offset by declines in Fines, Forfeitures and Penalties and Utility Tax revenue categories.

The variances from the modified budget levels, implications for current year revenue estimates, and changes from prior year level, are better understood through a discussion of the status of the individual General Fund revenue categories, which are provided in the following section.

### Property Tax

Property Tax	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Secured Property Tax	281,141,000	281,164,088	23,088	0.0%
Unsecured Property Tax	13,800,000	14,037,733	237,733	1.7%
SB 813 Property Tax	6,159,000	7,351,473	1,192,473	19.4%
Aircraft Property Tax	2,890,000	2,721,516	(168,484)	(5.8%)
Homeowner's Property Tax Relief	1,000,000	947,522	(52,478)	(5.2%)
<b>Total</b>	<b>304,990,000</b>	<b>306,222,332</b>	<b>1,232,332</b>	<b>0.4%</b>

The Property Tax revenue category includes Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax, Aircraft Property Tax, and Homeowner's Property Tax Relief (HOPTR). Property Tax receipts in 2017-2018 totaled \$306.2 million, which was \$1.2 million, or 0.4%, above the budgeted estimate of \$305.0 million, and represented an increase of 10.8% from 2016-2017 collections of \$276.4 million.

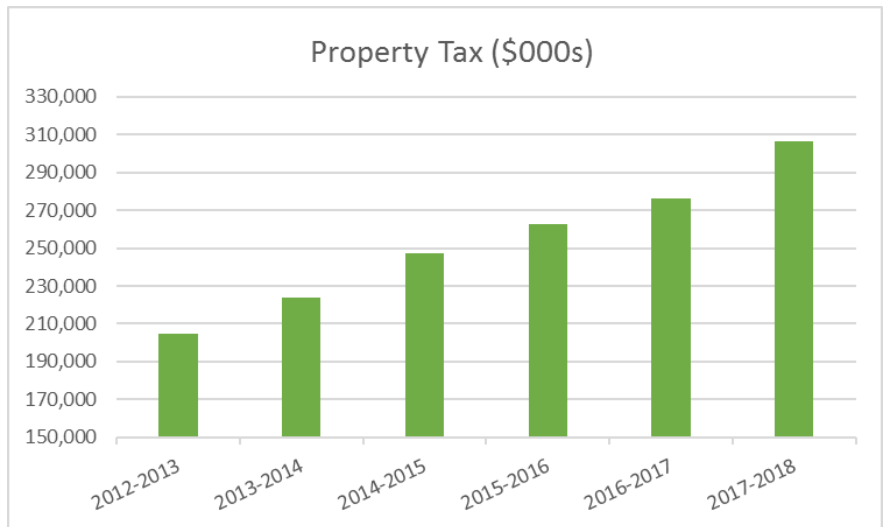
In 2017-2018, **Secured Property Tax** receipts continued to be the largest source of revenue in the Property Tax category. In 2017-2018, receipts totaled \$281.2 million, which is consistent with the 2017-2018 Modified Budget estimate, and is 11.4% above the 2016-2017 receipts of \$252.3 million. A significant portion of the growth from 2016-2017 collections was due to the Successor Agency to the

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## GENERAL FUND REVENUE PERFORMANCE

### Property Tax

Redevelopment Agency (SARA) bond refunding in December 2017 that resulted in additional property tax distribution to the City of approximately \$11.8 million in 2017-2018. In addition, excess Educational Revenue Augmentation Fund (ERAF) revenues totaled \$8.4 million in 2017-2018, which was 91.1% higher than the \$4.0 million received in the prior year.



After factoring out the SARA bond refunding revenue and the ERAF receipts, Secured Property Tax

growth of 5.2% was realized in 2017-2018. This increase was driven by two factors: the change in the California Consumer Price Index (CCPI) and the net change in residential and commercial valuation. Under Proposition 13, assessed values of all real property adjust with the CCPI, with a 2% limit, unless there is a change in ownership, new construction, or a property has received a Proposition 8 adjustment. The CPI adjustment for the 2017-2018 tax roll was an increase of 2.0%. On a County-wide basis, the 2017-2018 roll growth was primarily attributed to changes in ownership (46.8%), new construction (19.4%), and change in the CCPI (16.5%).

In the **Unsecured Property Tax** category, collections of \$14.0 million were slightly above the 2017-2018 Modified Budget estimate of \$13.8 million. In addition, 2017-2018 receipts were \$637,000, or 4.8%, above the prior year collections of \$13.4 million.

The **SB 813 Property Tax** component represents the retroactive taxes reassessed property valuation from the period of resale to the time that the Assessor formally revalues the property. In 2017-2018, receipts of \$7.4 million were 19.4% above the 2017-2018 Modified Budget estimate of \$6.2 million and exceeded the prior year collection level of \$6.8 million.

Based on actual 2017-2018 performance and the initial 2018-2019 information provided by the County of Santa Clara, no adjustment to the 2018-2019 Property Tax revenue estimate is recommended in this report. These revenues will continue to be monitored and discussed with representatives from the offices of the County Assessor, the County Controller-Treasurer, and the County Tax Collector for any updated information that may affect collection levels.

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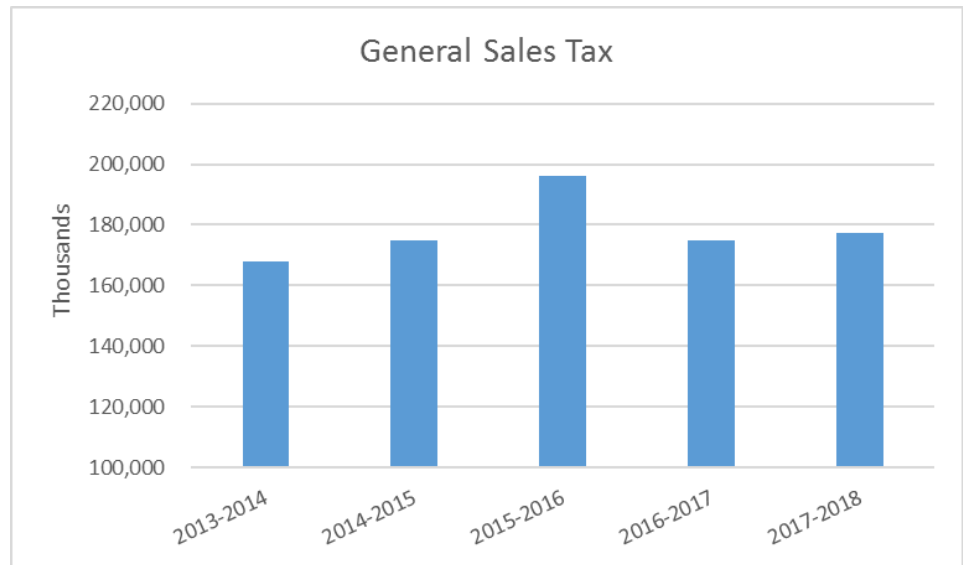
## GENERAL FUND REVENUE PERFORMANCE

### Sales Tax

Sales Tax	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
General Sales Tax	181,000,000	177,373,004	(3,626,996)	(2.0%)
Local Sales Tax	43,000,000	42,605,777	(394,223)	(0.9%)
Prop 172 Sales Tax	6,000,000	6,358,161	358,161	6.0%
<b>Total</b>	<b>230,000,000</b>	<b>226,336,942</b>	<b>(3,663,058)</b>	<b>(1.6%)</b>

The Sales Tax category includes General Sales Tax, Local Sales Tax, and Proposition 172 Sales Tax. Overall, Sales Tax collections in 2017-2018 of \$226.3 million were \$3.7 million, or 1.6%, below the 2017-2018 Modified Budget of \$230.0 million. This variance was due to processing issues by the California Department of Tax and Fee Administration (CDTFA) that resulted in Sales Tax revenue not being allocated properly to the City. It is estimated that at least \$5 million was not recognized in 2017-2018 due to this booking issue. If the unallocated revenue was included, the overall Sales Tax category would have exceeded the 2017-2018 Modified Budget by approximately \$1.3 million.

In the **General Sales Tax** category, collections of \$177.4 million fell short of the 2017-2018 Modified Budget level of \$181.0 million by \$3.6 million or 2.0%. However, this collection level reflects a \$2.7 million (1.5%) increase from the 2016-2017 collection level of \$174.7 million.



The 2017-2018 General Sales Tax figure of \$177.4 million reflects performance for the four quarters of 2017-2018, during which growth of 8.75% (1<sup>st</sup> quarter), 2.5% (2<sup>nd</sup> quarter), -0.6% (3<sup>rd</sup> quarter), and -4.3% (4<sup>th</sup> quarter) was experienced. The CDTFA, which is responsible for distributing Sales Tax revenue to jurisdictions in California, implemented a new automated system in May 2018, which has resulted in 3<sup>rd</sup> quarter and 4<sup>th</sup> quarter receipts not being fully disbursed to jurisdictions during the quarter in which the tax revenue was received. The CDTFA is processing the outstanding payments, and based on information from the City's Sales Tax consultant, it is anticipated that the CDTFA will include the unallocated payments in the 1<sup>st</sup> and/or 2<sup>nd</sup> quarter 2018-2019 disbursements. If the City had received the outstanding payments, conservatively estimated at \$5 million in 2017-2018, the collection level would have totaled approximately \$182.4 million, which is slightly above the budgeted level of \$181.0 million.

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## GENERAL FUND REVENUE PERFORMANCE

### Sales Tax

General Sales Tax receipts in 2017-2018 of \$177.4 million grew 1.5% from the 2016-2017 collection level of \$174.7 million. If the unallocated 2017-2018 receipts of approximately \$5 million had been received, collections would have ended the year 4.4% above the prior year. The year-over-year growth is primarily driven by the 8.75% growth in the first quarter of 2017-2018. That quarter, however, is compared to a very low first quarter in 2016-2017 that resulted from a large negative correction associated with jet fuel sales tax revenues that were allocated to San José in 2015-2016 in error and therefore reversed in 2016-2017.

When the 2018-2019 Adopted Budget was developed, the General Sales Tax estimate of \$184.3 million reflected growth of 1.7% from the 2017-2018 estimate of \$181.2 million. This reflected underlying quarterly growth of 2.0% as well as a downward adjustment of \$550,000 to account for a prior year accrual adjustment that occurred in 2017-2018. Based on the actual 2017-2018 receipts of \$177.4 million plus an additional \$5 million in estimated underpayments, growth of approximately 1% is needed in 2018-2019 over the adjusted 2017-2018 receipts of \$182.4 million.

As described *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report, the General Sales Tax revenue estimate is recommended to be increased by \$5.0 million (from \$184.3 million to \$189.3 million) to conservatively account for the unallocated funds that were not distributed in 2017-2018, but will be received in 2018-2019.

In 2017-2018, **Local Sales Tax** revenues totaled \$42.6 million, which was slightly (-0.9%) below the Modified Budget estimate of \$43.0 million, but 60.7% above the prior year collection level of \$26.5 million. In June 2016, San José voters approved a ¼ cent sales tax, which began implementation in October 2016, therefore, 2017-2018 represents the first year of full implementation of the tax.

When the 2018-2019 Adopted Budget was developed, the 2017-2018 Local Sales Tax estimate totaled \$43.5 million, which included a one-time increase of \$1.3 million from a prior year accrual. In 2018-2019, revenue of \$43.0 million is estimated, which reflects underlying quarterly growth of 2.0% as well as a downward adjustment of \$1.3 million to account for the prior year accrual adjustment that occurred in 2017-2018.

Similar to the General Sales Tax, 2017-2018 Local Sales Tax revenue is understated due to the CDTFA implementing a new automated system in May 2018, which has resulted in 3<sup>rd</sup> quarter and 4<sup>th</sup> quarter receipts not being fully disbursed to jurisdictions during the quarter in which the tax revenue was received. The CDTFA is processing the outstanding payments, and will include the missed payments in the 1<sup>st</sup> and/or 2<sup>nd</sup> quarter 2018-2019 disbursements. The Local Sales Tax receipts in 2017-2018 are likely understated by over \$1 million as a result of the unallocated payments. As necessary, adjustments to this category will be brought forward during 2018-2019 based on the final reconciliation of 2017-2018 and actual 2018-2019 performance.

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**GENERAL FUND REVENUE PERFORMANCE**

**Sales Tax**

**Proposition 172 Sales Tax** collections represents the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs. In 2017-2018, receipts of \$6.4 million were 6.0% above the budgeted estimate of \$6.0 million, however, receipts were \$120,000, or 1.8%, below the 2016-2017 collection level of \$6.5 million. This performance reflects the overall Sales Tax performance throughout the State and the relative share that is attributed to San José.

**Transient Occupancy Tax**

Transient Occupancy Tax	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Transient Occupancy Tax	18,720,000	19,530,772	810,772	4.3%
<b>Total</b>	<b>18,720,000</b>	<b>19,530,772</b>	<b>810,772</b>	<b>4.3%</b>

In 2017-2018, receipts of \$19.5 million for the General Fund’s portion (4.0%) of the City’s **Transient Occupancy Tax** (TOT) were \$811,000, or 4.3%, above the 2017-2018 Modified Budget estimate of \$18.7 million, and 6.9% above 2016-2017 TOT receipts of \$18.3 million. The higher than budgeted receipts, which was primarily driven by stronger than anticipated performance late in the fiscal year, represents the recent trend of strong but decelerating year-over-year growth (24.1% growth in 2014-2015, 12.4% growth in 2015-2016, 10.3% growth in 2016-2017, and 6.9% growth in 2017-2018). The 2017-2018 performance can be attributed to relatively flat occupancy rates, higher average daily room rates, and an increase in room inventory. In 2017-2018, the average room rate for the City’s 13 largest hotels increased by \$2 (from \$210 to \$212) while the average occupancy reported for these hotels essentially remained the same (76.5% in 2016-2017 and to 77.5% in 2017-2018). Moving forward, growth rates are anticipated to continue to moderate from the extremely high growth rates experienced in previous years.

The 2018-2019 Adopted Budget estimate of \$19.7 million was built assuming almost 5% growth in TOT collections over 2017-2018 estimated receipts of \$18.7 million. However, given the slightly higher receipts in 2017-2018, growth of less than 1% above 2017-2018 collections is needed in 2018-2019 to meet the budgeted estimate. Due to higher occupancy rates anticipated in 2018-2019 coinciding with hosting the College Football Playoff National Championship and the 2019 National Hockey League All Star Game, 2018-2019 receipts may exceed the budgeted level by year end. TOT revenue will continue to be monitored, and if warranted a budget adjustment may be brought forward later in the fiscal year.

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## GENERAL FUND REVENUE PERFORMANCE

### Franchise Fees

Franchise Fees	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Electric Franchise Fee	21,726,000	23,214,525	1,488,525	6.9%
Commercial Solid Waste Franchise Fee	11,513,083	11,511,975	(1,108)	(0.0%)
Cable Franchise Fee	10,820,000	9,749,529	(1,070,471)	(9.9%)
Gas Franchise Fee	5,400,000	5,700,687	300,687	5.6%
Tow Franchise Fee	1,000,000	617,704	(382,296)	(38.2%)
Nitrogen Franchise Fee	60,000	68,829	8,829	14.7%
Great Oaks Water Franchise Fee	294,000	316,533	22,533	7.7%
<b>Total</b>	<b>50,813,083</b>	<b>51,179,782</b>	<b>366,699</b>	<b>0.7%</b>

Franchise Fee collections of \$51.2 million were slightly above (0.7%) the 2017-2018 Modified Budget level of \$50.8 million and were \$1.5 million, or 3.1%, above the 2016-2017 collection level of \$49.6 million.

### Utility Tax

Utility Tax	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Electricity Utility Tax	46,800,000	46,761,850	(38,150)	(0.1%)
Telephone Utility Tax	29,600,000	26,855,548	(2,744,452)	(9.3%)
Water Utility Tax	14,850,000	15,580,080	730,080	4.9%
Gas Utility Tax	10,070,000	10,555,629	485,629	4.8%
<b>Total</b>	<b>101,320,000</b>	<b>99,753,107</b>	<b>(1,566,893)</b>	<b>(1.5%)</b>

The City assesses utility user taxes on four utilities, including Electricity, Gas, Water, and Telephone. Overall, Utility Tax receipts of \$99.8 million were \$1.6 million, or 1.5%, below the 2017-2018 Modified Budget level and \$1.0 million, or 1.0%, below the 2016-2017 actual level of \$100.8 million. In 2017-2018 the Telephone Utility Tax receipts did not meet budgeted levels, however, this decrease was partially offset by higher than budgeted receipts for the Gas Utility Tax and Water Utility Tax.

Receipts in the **Electricity Utility Tax** category of \$46.8 million met the 2017-2018 Modified Budget estimate of \$46.8 million and were \$784,000, or 1.7%, above the 2016-2017 collection level of \$46.0 million. This increase in revenue primarily reflects slightly higher rates and increased consumption.

Receipts in the **Telephone Utility Tax** category of \$29.6 million were \$2.7 million, or 9.3%, below the 2017-2018 Modified Budget estimate and were \$2.1 million, or 2.4%, below the 2016-2017 collection



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## GENERAL FUND REVENUE PERFORMANCE

### Utility Tax

level of \$28.9 million. The decline in this revenue category is the result of wireless consumers shifting to less expensive prepaid wireless plans and consumers continuing to permanently disconnect landlines in favor of cellular phones and internet phones.

**Gas Utility Tax** receipts of \$10.6 million were 4.8% above the budgeted level of \$10.1 million, but were 5.0% below 2016-2017 collection level of \$11.1 million. The decrease in year-over-year revenue primarily reflects decreased consumption levels. This category can vary significantly from year to year based on weather conditions.

Receipts in the **Water Utility Tax** category of \$15.6 million were \$730,000, or 4.9%, above the modified budget level of \$14.9 million and \$797,000, or 5.4%, above the prior year actual collection level of \$14.8 million. The higher collection level is primarily due to the water rate increases and changing consumption levels.

### Telephone Line Tax

Telephone Line Tax	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Telephone Line Tax	20,000,000	20,480,699	480,699	2.4%
<b>Total</b>	<b>20,000,000</b>	<b>20,480,699</b>	<b>480,699</b>	<b>2.4%</b>

In 2017-2018, **Telephone Line Tax** collections of \$20.5 million were \$481,000, or 2.4%, above the budgeted estimate of \$20.0 million and were approximately 1% above the 2016-2017 collection level of \$20.3 million.

### Business Taxes

Business Taxes	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
General Business Tax	24,885,000	26,485,772	1,600,772	6.4%
Cardroom Tax	18,700,000	18,891,443	191,443	1.0%
Marijuana Business Tax	12,800,000	13,018,246	218,246	1.7%
Disposal Facility Tax	12,000,000	12,277,645	277,645	2.3%
<b>Total</b>	<b>68,385,000</b>	<b>70,673,106</b>	<b>2,288,106</b>	<b>3.3%</b>

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## GENERAL FUND REVENUE PERFORMANCE

### Business Taxes

Revenues in the Business Taxes category include the General Business Tax, Cardroom Tax, Marijuana Business Tax, and Disposal Facility Tax. Overall, collections of \$70.7 million were 3.3% above the 2017-2018 Modified Budget estimate of \$68.4 million, and 30.5% (\$16.5 million) above the 2016-2017 collection level of \$54.2 million. The significant growth in revenue in 2017-2018 reflects modernization of the San José Business Tax, which was approved by San José voters on November 8, 2016 and took effect on July 1, 2017, and an increase in the Marijuana Business Tax.

**General Business Tax** collections of \$26.5 million ended the year 6.4% above the Modified Budget estimate of \$24.9 million. In addition, 2017-2018 revenue was 103% above the 2016-2017 receipts of \$13.4 million. As previously discussed, the significant revenue growth in 2017-2018 reflects modernization of the San José Business Tax, included increasing the base tax, increasing the incremental tax and making it more progressive, increasing the cap (the maximum amount of the tax affecting large businesses), updating the application of the tax to more classes of business, and adding inflation based adjustments for future tax rates.

In 2017-2018, **Cardroom Tax** collections of \$18.9 million ended the year 1.0% (\$191,000) above the 2017-2018 Modified Budget estimate of \$18.7 million and \$408,000, or 2.2%, above the 2016-2017 collection level of \$18.5 million.

**Marijuana Business Tax** collections in 2017-2018 totaled \$13.0 million, which were \$218,000, or 1.7%, above the modified budget and 24.3% (\$2.5 million) above the 2016-2017 collection level of \$10.5 million. The higher revenue collections in 2017-2018 was attributed to increased consumption as well as the legalization of recreational cannabis. In November 2016, the California Marijuana Legalization Initiative (Proposition 64) legalized recreational cannabis use in the State of California. With this change, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018. The 2018-2019 revenue estimate of \$13.5 million factored in anticipated growth associated with this change. The revenue category will be closely monitored in 2018-2019 to determine if additional adjustments are warranted.

In 2017-2018, **Disposal Facility Tax** collections of \$12.3 million were 2.3%, or \$278,000, above the 2017-2018 Modified Budget level of \$12.0 million and 1.0% above prior year collections of \$12.2 million.

### Licenses and Permits

Licenses and Permits	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Building Permits	32,500,000	33,546,256	1,046,256	3.2%
Fire Permits	13,111,000	13,171,164	60,164	0.5%
Other Licenses and Permits	13,658,916	13,785,307	126,391	0.9%
<b>Total</b>	<b>59,269,916</b>	<b>60,502,727</b>	<b>1,232,811</b>	<b>2.1%</b>

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## GENERAL FUND REVENUE PERFORMANCE

### Licenses and Permits

Revenues in the Licenses and Permits category include the Building Permits, Fire Permits, and various other licenses and permits. Overall, Licenses and Permits collections of \$60.5 million were 2.1% (\$1.2 million) above the 2017-2018 Modified Budget level of \$59.3 million and 5.3%, or \$3.0 million, above the 2016-2017 collection level of \$57.5 million. Both the Building and Fire Development Fee Programs continued the solid performance experienced over the past few years with receipts exceeding the budgeted estimates and the prior year collection levels.

**Building Permits** receipts of \$33.5 million ended the year \$1.0 million, or 3.2%, above the Modified Budget level of \$32.5 million, and 4.5% above the prior year's collection level of \$32.1 million. The 2017-2018 budgeted estimate incorporated fee increases that were projected to increase overall revenues by approximately 14% from a base of \$27.5 million. These rate increases were implemented on August 14, 2017.

The total valuation of projects submitted in 2017-2018 was \$1.7 billion, 10.9% below the \$1.9 billion valuation of projects submitted in 2016-2017. Residential valuation of \$631.0 million in 2017-2018 was higher than the 2016-2017 level of \$599.1 million. A total of 3,241 new residential units received permits in 2017-2018, which was above 2016-2017 actuals of 2,712 units. Commercial valuation of \$617.7 million tracked below the prior year level of \$702.6 million. Industrial activity of \$423.4 million was also lower than last year's level of \$574.5 million. Notable activity that took place in 2017-2018 includes building permits for: the Reserve, two apartment buildings (369 units and 267 units) and a 376,000 square foot podium garage, on South Winchester Boulevard; a new six level parking garage and a three story retail building at the Valley Fair Shopping Mall on Stevens Creek Boulevard; two apartment buildings (165 units and 136 units) that are part of the Fairfield Apartment site; a six story office building (located south of Coleman Avenue and west of Highway 87); the balance of construction for a 318-unit apartment building that is part of the Berryessa Flea Market development project (the foundation permit for the building was filed in January 2017); the balance of a nineteen story, 260-unit apartment building (located on the corner of W. San Carlos Street and S. 3rd Street); two new hotels, including a 151,000 square foot, 174 room project (located on North 1st Street) that is part of the Bay 101 project, and a 49,000 square foot hotel project (located near the intersection of Cherry Avenue and Almaden Expressway); and the balance of a garage and the 320,000 square foot mixed use building for the Santana Row Expansion Lot 9 on Olsen Drive.

As described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report, there are several reconciling actions that result in a net decrease of \$1.7 million to the Building Development Fee Program Earmarked Reserve. This decrease primarily reflects the correction to the over rebudget of the reserve by \$5.4 million in the 2018-2019 Adopted Budget. The decrease to the Reserve is partially offset by an increase of \$3.1 million that is the result of the reconciliation of the 2017-2018 actual activity in which the excess revenues of \$1.0 million, expenditure savings of \$1.8 million, and interest earnings attributed to the program of \$0.3 million are set aside in this reserve. In addition, the Annual Report includes a recommendation to shift the cost for two positions (a Senior Executive Analyst

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**GENERAL FUND REVENUE PERFORMANCE**

**Licenses and Permits**

and an Executive Analyst) that were inadvertently included in the Building Development Fee Program (\$0.6 million) for 2018-2019 rather than the General Fund (non-fee supported). With these recommended adjustments, the net decrease to the Building Development Fee Program Earmarked Reserve will be \$1.7 million, bringing the Reserve total from \$22.4 million to \$20.7 million. When the 2018-2019 Adopted Budget was developed, it was assumed that collections would remain the same as the prior year amount of \$32.5 million.

**Fire Permits** receipts of \$13.2 million were 0.5% above the 2017-2018 Modified Budget estimate of \$13.1 million and 3.3% above the 2016-2017 collection level of \$12.7 million. This category includes revenue for the Fire Development Fee Program and the Fire Non-Development Fee Program.

Development revenues from Architectural Plan Check and Inspection, Engineering Systems (Alarms and Sprinklers) Permits and Inspections, and miscellaneous revenues ended the year at \$8.1 million, which was 1.8% (\$152,000) below the 2017-2018 Modified Budget estimate of \$8.2 million. The slightly lower revenues are offset by expenditure savings in this fee program of \$391,000 and interest earnings of \$104,000. Based on the reconciliation of actual revenues and expenditures, a net increase of \$343,000 to the Fire Development Fee Program Reserve is recommended, as described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report. Additionally, the rebudget of the reserve to 2018-2019 was short by \$820 due to a minor adjustment to costs that were not incorporated in the initial reconciliation. With these actions, the Fire Development Fee Program Earmarked Reserve is recommended to be increased from \$7.0 million to \$7.3 million.

Non-Development revenue of \$5.1 million from Annual Renewable Permits, Non-Renewable Permits and Inspections, and other miscellaneous activities were above the 2017-2018 Modified Budget estimate of \$4.9 million. Annual renewable permits revenue of \$4.4 million was \$201,000 (4.8%) above estimated levels and \$1.0 million (31.0%) higher than the collections in the prior year. Combined revenues of \$671,000 from non-renewable permit and other inspection activities (such as after-hours inspections for fire regulatory enforcement and hazardous materials) and permits for pyrotechnics, tents, canopies, and temporary membrane structures were \$11,000 (1.7%) higher than budgeted levels of \$660,000 and \$54,000 (8.8%) higher than last year's year-end revenue of \$617,000.

The 2018-2019 Adopted Budget estimate of \$13.3 million was built based on a sustained level of activity from the 2017-2018 year-end estimates in the Non-Development fee program and a slight decrease in activity in the Fire Development fee program, along with fee adjustments in both Development and Non-Development programs.

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## GENERAL FUND REVENUE PERFORMANCE

### Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Parking Fines	11,550,000	10,806,606	(743,394)	(6.4%)
Vehicle Code Fines	1,313,000	1,469,318	156,318	11.9%
Business License Penalties	1,200,000	749,321	(450,679)	(37.6%)
Administrative Citation Fines	425,000	286,441	(138,559)	(32.6%)
Other Fines and Penalties	848,284	1,042,309	194,025	22.9%
<b>Total</b>	<b>15,336,284</b>	<b>14,353,995</b>	<b>(982,289)</b>	<b>(6.4%)</b>

The primary sources of revenue in the Fines, Forfeitures, and Penalties revenue category are Parking Fines, Vehicle Code Fines, Administrative Citation Fines, and Other Fines and Penalties. Collections of \$14.4 million in this category were \$982,000, or 6.4%, below the 2017-2018 Modified Budget level of \$15.3 million and 12.2% below the prior year collection level of \$16.3 million.

**Parking Fines**, the largest component of this revenue category, ended the year at \$10.8 million. This collection level was 6.4%, or \$743,000 below the Modified Budget level of \$11.55 million and \$1.0 million below the prior year level of \$11.8 million. This reflects the shift in activity to vehicle abatement service requests rather than other parking enforcement activities. In addition, **Business License Penalties** of \$749,000 fell below the 2017-2018 budgeted estimate of \$1.0 million. **Vehicle Code Fines** ended the year at \$1.5 million, which was 11.9% above the Modified Budget of \$1.3 million, however was 8.7%, or \$140,000 below the prior year collections. The Administrative Citation Fines and other remaining categories ended the year at \$1.3 million, which was consistent with the budgeted level and the prior year collections.

### Revenue from Use of Money and Property

Use of Money and Property	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
City-Owned Property Rentals	2,980,000	3,799,262	819,262	27.5%
Interest Earnings on the General Fund	2,000,000	3,316,298	1,316,298	65.8%
Subrogation Recovery	500,000	643,276	143,276	28.7%
Other Use of Money and Property	225,000	170,985	(54,015)	(24.0%)
<b>Total</b>	<b>5,705,000</b>	<b>7,929,821</b>	<b>2,224,821</b>	<b>39.0%</b>

The Use of Money and Property category primarily consists of rental income from various City properties, interest income earned in the General Fund, and subrogation recovery revenues. Collections of \$7.9 million ended the year 39.0% above the Modified Budget level of \$5.7 million and 16.8%, or \$1.1 million, above the prior year collection level of \$6.8 million.

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**GENERAL FUND REVENUE PERFORMANCE**

**Revenue from Use of Money and Property**

Rental income of \$3.8 million was 27.5% above the budgeted estimate of \$3.0 million and 10.9% above prior year collections of \$3.4 million, reflecting slightly higher collections for several properties. Interest income of \$3.3 million was 65.8% above budgeted level of \$2.0 million, and 60.5% above the prior year levels of \$2.1 million; however, revenues continue to track below historic levels prior to the implementation of the prefunding of retirement contributions and the significant decline in interest rates. Subrogation recovery revenues of \$643,000 ended the year 28.7% above the budgeted estimate, however, revenues dropped 33.7% from the prior year collection level of \$970,000.

**Revenue from Local Agencies**

Revenue from Local Agencies	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Successor Agency to the RDA	25,312,000	25,766,143	454,143	1.8%
Central Fire District	6,963,000	7,000,819	37,819	0.5%
Paramedic Program	1,500,000	1,287,507	(212,493)	(14.2%)
Other Local Agency Payments	4,526,386	4,365,460	(160,926)	(3.6%)
<b>Total</b>	<b>38,301,386</b>	<b>38,419,929</b>	<b>118,543</b>	<b>0.3%</b>

The Revenue from Local Agencies category contains revenue received from a variety of other local government agencies. The largest sources of revenue are the reimbursements from the Successor Agency to the Redevelopment Agency of San José, a separate entity (Successor Agency), the Central Fire District for fire services provided to County residents by the San José Fire Department, and the County of Santa Clara for the Paramedic Program.

Revenue collections of \$38.4 million ended the year slightly above the budgeted estimate of \$38.3 million. This collection level, however, is 38.6% above the 2016-2017 collection level of \$27.7 million, which is primarily due to Successor Agency contributions in 2017-2018 and receipt of funds related to the Paramedic Program.

The largest revenue in the Revenue from Local Agencies category is a reimbursement from the Successor Agency to the Redevelopment Agency (SARA) for the payment of the Convention Center Debt Service, which totaled \$13.6 million in 2017-2018. A corresponding expenditure is included in the City-Wide Expenses category for this debt service payment. In addition, in 2017-2018, a reimbursement from SARA for enforceable obligations totaling \$12.2 million was received. The reimbursement accounts for costs the City incurred supporting SARA since dissolution of the San José Redevelopment Agency in 2012.

In 2017-2018, the Central Fire District payment of \$7.0 million ended the year slightly above the Modified Budget of \$6.96 million, and 8.2% above the prior year collection of \$6.5 million. These payments

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## GENERAL FUND REVENUE PERFORMANCE

### Revenue from Local Agencies

represent property taxes collected by the Central Fire District for areas of the County served by the San José Fire Department. The year-over-year increase of payments is due to the change in Property Tax valuation in those areas.

Reimbursement from the County of Santa Clara for the first responder advanced life support program (Paramedic Program) of \$1.3 million fell slightly below the budgeted estimate of \$1.5 million. The budgeted estimate consisted of the equipment reimbursement component (Annex B, Category A funds) of \$1.3 million and the service-related component (Annex B, Category B funds) of \$224,000. The actual receipts in 2017-2018 fell short of the budgeted level by approximately \$200,000, which is due to the timing issue of receipt of the fourth quarter payments. It is anticipated that the City will receive \$704,000 for the Category A (\$314,000) and Category B (\$390,000) funds based on actual performance for the last quarter. These funds will be recognized in 2018-2019. Factoring in the fourth quarter payment, Paramedic Program receipts exceeded expectations by approximately \$500,000 due to higher Category B funds based on actual response time performance.

The 2018-2019 Adopted Budget included the rebudget of revenues and associated expenditures for various local agency grants in the amount of \$30,000, and an additional \$155,000 in rebudget adjustments are recommended in this report to account for the anticipated receipt of revenue in 2018-2019 that were not received in 2017-2018. Additional information on the rebudget of local agency grants, as well as budget actions to recognize new grants and reimbursements are described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

### Revenue from the State of California

Revenue from State of California	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Tobacco Settlement	10,900,000	10,952,059	52,059	0.5%
Motor Vehicle In-Lieu Tax	450,000	550,639	100,639	22.4%
Other State Revenue	2,753,416	2,822,767	69,351	2.5%
State Grants	2,344,044	1,395,566	(948,478)	(40.5%)
<b>Total</b>	<b>16,447,460</b>	<b>15,721,031</b>	<b>(726,429)</b>	<b>(4.4%)</b>

The major State revenues include the Tobacco Settlement Revenue and State Grants. Revenue from the State of California of \$15.7 million ended the year 4.4% below the 2017-2018 Modified Budget estimate of \$16.4 million, but 8.3% above the prior year collection level of \$14.5 million.

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**Revenue from the State of California**

The Tobacco Settlement revenue, which is the largest revenue source in this category, totaled \$11.0 million in 2017-2018, which is consistent with the 2017-2018 Modified Budget. Receipts in 2017-2018 were 19.4%, or \$1.8 million, above the prior year collection level of \$9.2 million.

State grants and other reimbursements totaled \$4.2 million, which was \$879,000 below the Modified Budget level of \$5.1 million. This was the result of a timing difference of many grants (and their associated expenditures).

The 2018-2019 Adopted Budget included the rebudget of revenues and associated expenditures for various State grants in the amount of \$472,000, and an additional \$408,000 of rebudget adjustments are recommended in this report to account for revenues that were not received 2017-2018, but are now anticipated to be received in 2018-2019. Additional information on the rebudget of State grants, as well as budget actions to recognize new grants and reimbursements are described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

**Revenue from the Federal Government**

Revenue from Federal Government	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Federal Grants	5,808,333	5,590,625	(217,708)	(3.7%)
<b>Total</b>	<b>5,808,333</b>	<b>5,590,625</b>	<b>(217,708)</b>	<b>(3.7%)</b>

The revenue in this category is generated by various federal grants and reimbursements. In 2017-2018, Revenue from the Federal Government of \$5.6 million was \$218,000, or 3.7%, below the Modified Budget level of \$5.8 million, however, receipts were \$3.8 million, or 47.5%, above the 2016-2017 collection level of \$3.8 million. The negative variance from the Modified Budget was primarily the result of the timing of various grants (and their associated expenditures) where the work was not yet completed in 2017-2018. The 2018-2019 Adopted Budget included the rebudget of revenues and associated expenditures for various Federal grants in the amount of \$1.3 million to account for anticipated receipt of revenue in 2018-2019 that were not received in 2017-2018. Based on actual 2017-2018 performance, net negative rebudget adjustments of \$239,000 are recommended in this report. Additional information on the rebudget of Federal grants, are described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.



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## GENERAL FUND REVENUE PERFORMANCE

### Fees, Rates, and Charges

Fees, Rates, and Charges	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
PRNS Fees	21,748,084	21,771,227	23,143	0.1%
Public Works Fees	12,435,000	14,321,065	1,886,065	15.2%
Planning Fees	6,230,000	6,551,506	321,506	5.2%
Transportation Fees	1,674,720	1,897,208	222,488	13.3%
Police Fees	1,373,071	1,337,294	(35,777)	(2.6%)
Library Fees	775,300	587,520	(187,780)	(24.2%)
Miscellaneous Fees	3,955,808	4,237,322	281,514	7.1%
<b>Total</b>	<b>48,191,983</b>	<b>50,703,142</b>	<b>2,511,159</b>	<b>5.2%</b>

Revenues in this category include fees and charges assessed by several departments. Overall, Fees, Rates, and Charges collections of \$50.7 million were 5.2% (\$2.5 million) above the 2017-2018 Modified Budget level of \$48.2 million, and 13.0% above the 2016-2017 collection level of \$44.9 million. In 2017-2018, the Public Works Fee Program, Planning Fee Program, Transportation Departments revenues, and Miscellaneous revenues exceeded the budgeted estimates, however, the Library and Police Departments revenue collections fell below their budgeted estimate.

In 2017-2018, **Public Works Departmental Fee** collections of \$14.3 million ended the year 15.2% above the modified budget estimate of \$12.4 million and 31.2% above the \$10.9 million collected in 2016-2017. The 2017-2018 collections are comprised of \$7.2 million from the Development Services Program, \$4.4 million from the Utility Fee Program, \$850,000 from a broadband provider to support the implementation of small cell technology as part of the City's Broadband Strategy, and \$274,000 in special assessment collection charge fees. Revenues related to Engineering categories such as Residential and Non-Residential performed at lower than estimated levels as a result of lower activity levels. However, these revenues are offset by higher than estimated levels in the Utility Excavation, Grading Permits, Geologic Fees, Planned Development Permit, and Conditional Use Permits categories. Each year, excess development-related revenues and expenditure savings are set aside in reserve to support the fee programs.

In 2017-2018, \$1.9 million was generated from excess revenues of \$1.6 million, expenditure savings of \$207,000 in the Public Works Fee Program, and interest earnings attributed to the program of \$79,000. These funds are recommended to be allocated to the Public Works Development Fee Program Earmarked Reserve (\$1.5 million, increase from \$4.9 million to \$6.4 million) and to the Public Works Development Fee Program – Small Cell Permitting Reserve (\$374,000). Additional information regarding these adjustments can be found in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report

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## GENERAL FUND REVENUE PERFORMANCE

### Fees, Rates, and Charges

**Transportation Departmental Fee** collections of \$1.9 million ended the year 13.3%, or \$222,000, above the Modified Budget level of \$1.7 million, and was 19.0%, above the 2016-2017 collection level of \$1.6 million. A significant portion of the higher than budgeted revenue is related to the Street Tree Planting program, which totaled approximately \$121,000, exceeding the Modified Budget of \$20,000 and the prior year collection level of \$11,000. As described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report, the additional Street Tree Planting revenue received in 2017-2018 is recommended to be allocated to the corresponding City-Wide expenditure appropriation.

In 2017-2018, **Library Departmental Fee** collections of \$588,000 ended the year 24.2% below the Modified Budget level of \$775,000, and 9.7% below the 2016-2017 receipts of \$650,000. Fines revenues accounted for \$505,000 of the total receipts for 2017-2018 and were down from \$512,000 in the prior year. The decrease in Fine revenues is primarily the result of the Reducing Economic Barriers to Library Access, which was approved by the City Council on May 17, 2016, which implemented several fine forgiveness programs. Fine forgiveness programs that have recently been implemented by San José Public Library included Volunteer Away Your Fines, which allows patrons to have their Library cardholder debt reduced or waived through volunteering at a library, and Read Away Your Fines, which allows patrons to read books to reduced or waived their fines.

**Planning Departmental Fee** collections of \$6.6 million ended the year 7.2% above the modified budget estimate of \$6.2 million and 47.3% above the prior year collection level of \$4.4 million, which was the result of City Council-approved fee changes that were implemented on August 14, 2017. As identified in the Bi-Monthly Financial Reports and the Mid-Year Budget Review, Planning Fee revenues throughout 2017-2018 were anticipated to end the year \$1.5 million below the 2017-2018 budget revenue estimate of \$7.7 million. A year-end action decreased the revenue estimate by \$1.5 million, offset by reductions to the Planning Development Fee Program Reserve (-\$750,000), and Planning Development Fee Program Personal Services (-\$600,000) and Non-Personal/Equipment (-\$150,000) appropriations. However, higher than anticipated permit issuance in June 2018 resulted in the Planning Departmental Fee collections exceeding the Modified Budget by \$322,000. Fee categories where the actual collections exceeded the estimate include Residential and Non-Residential Tentative Maps, Sale of Publications and Record Retention, Public Information Services, Non-Residential General Plan Amendments, Residential Prezonings/Rezonings, Non-Residential Conventional Prezonings/Rezonings, Annexations, Non-Residential Site Development Permits, Non-Residential Planned Development Permits, Non-Residential Development Permit Adjustments, and Single-Family Design Review. Categories where actuals fell short of the estimate included Public Noticing, Preliminary Review, Residential General Plan Amendments, Non-Residential Prezonings/Rezonings, Residential Conventional Prezonings/Rezonings, Residential and Non-Residential Environmental Clearance, Residential Site Development Permits, Residential Planned Development Permits, Residential Development Permit Adjustments, Residential and Non-Residential Conditional Use Permits, and Miscellaneous Permits. As described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report, the Planning Development Fee Program Earmarked Reserve is recommended to be decreased by \$34,000. This decrease is the net result of the

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## GENERAL FUND REVENUE PERFORMANCE

### Fees, Rates, and Charges

following: a downward adjustment of \$540,000 to correct for the over-rebudgeting of this reserve in the 2018-2019 Adopted Budget; and an upward adjustment of due to over rebudgeting the reserve amount to 2018-2019 by \$540,000, which is partially offset by an increase of \$506,000 derived from a combination of additional revenues of \$322,000, expenditure savings of \$131,000, and interest earnings attributed to the program of \$22,000. With the recommended adjustments included in this report, the Reserve will decrease from \$1.069 million to \$1.003 million.

### Other Revenue

Other Revenue	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
TRANS Proceeds	150,000,000	150,000,000	0	0.0%
Sale of Surplus Properties	37,825,663	38,186,678	361,015	1.0%
Other Revenue	35,811,646	30,764,587	(5,047,059)	(14.1%)
<b>Total</b>	<b>223,637,309</b>	<b>218,951,265</b>	<b>(4,686,044)</b>	<b>(2.1%)</b>

The Other Revenue category contains a number of unrelated revenue sources and totaled \$219.0 million in 2017-2018, which was 2.1% below the modified budget of \$223.6 million, however was significantly higher (84.9%) than the 2016-2017 collection level of \$118.4 million. The significant increase in this category from prior year collections is primarily due to the Tax Revenue Anticipation Notes (TRANS) proceeds increasing from \$100.00 million in 2016-2017 to \$150.0 million in 2017-2018, as well as the sale of the Airport West (FMC) site, which resulted in \$36.3 million being allocated to the General Fund. The TRANS proceeds have an offsetting expenditure to repay the TRANS and the Airport West (FMC) site proceeds were primarily used to pay off debt service related to the original acquisition of the site.

The Other Revenue category ended 2017-2018 2.1% below the Modified Budget level primarily due to proceeds from the Energy Services Company (ESCO) of \$2.4 million not being received, however the 2018-2019 Adopted Budget included a rebudget of these funds as they are anticipated to be received in 2018-2019. The corresponding debt service payment that is budgeted in the City-Wide Expenses was also rebudgeted as part of the 2018-2019 Adopted Budget. Grants and reimbursements also ended the year below the budgeted estimate. The 2017-2018 Adopted Budget included the rebudget of revenues and associated expenditures for various grants and reimbursements in the amount of \$1.8 million, and an additional \$862,000 of rebudget adjustments are recommended in this report to account for the anticipated receipt of revenue in 2018-2019 that were not received in 2017-2018. Additional information on the rebudget of these grants as well as the recognition of new grant revenues and their associated expenditures, are described in *Section IV -- Recommended Budget Adjustments and Clean-up/Rebudget Actions* of this report.

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**GENERAL FUND REVENUE PERFORMANCE**

**Transfers and Reimbursements**

Transfers and Reimbursements	2017-2018 Budget (\$)	2017-2018 Actuals (\$)	2017-2018 Variance (\$)	2017-2018 Variance (%)
Overhead Reimbursements	45,467,418	47,245,141	1,777,723	3.9%
Transfers	25,412,465	26,305,966	893,501	3.5%
Reimbursements for Services	17,970,000	16,980,661	(989,339)	(5.5%)
<b>Total</b>	<b>88,849,883</b>	<b>90,531,768</b>	<b>1,681,885</b>	<b>1.9%</b>

The Transfers and Reimbursements category includes overhead reimbursements, transfers to the General Fund, and reimbursements for services. Overall, collections of \$90.5 million ended the year 1.9%, or \$1.7 million, above the 2017-2018 Modified Budget estimate of \$88.8 million. The Overhead Reimbursement category was above the budgeted estimate due to higher capital fund overhead based on actual activity in 2017-2018. Transfers exceeded the budgeted estimate in 2017-2018 by \$894,000 primarily due to additional funding from the Parks Construction and Conveyance Tax Funds (\$598,000) as 15% of the Parks Construction and Conveyance Tax revenues are transferred to the General Fund for parks maintenance and these revenues exceeded the budgeted estimate. Reimbursements for Services ended the year below the budget primarily due to lower Gas Tax receipts (\$16.6 million actual receipts versus the budgeted estimate of \$17.3 million).

**Summary**

In 2017-2018, total revenues received by the General Fund of \$1.3 billion were slightly higher than the 2017-2018 Modified Budget level by \$1.5 million (0.1%). However, when the 2018-2019 Adopted Budget was developed, it was assumed that revenues would exceed the modified budget by approximately \$5 million and would generate additional fund balance. Revenues fell short of this estimate by \$3.5 million. After accounting for other reconciling items, including the Development Fee Program adjustments, rebudgets, and other clean-up actions, revenues ended the year \$2.4 million below the estimate. This is an extremely small variance given the diversity of over 450 City revenues and the overall size of the General Fund.

The 2017-2018 collection level of \$1.3 billion was up \$189.2 million (17.1%) from the actual 2016-2017 collections (\$1.1 billion). The 2017-2018 revenue estimates were built on the assumption that the economically-sensitive revenues would continue to experience growth and actual performance in 2017-2018 was consistent with this assumption. A number of economically-sensitive revenue categories, such as Property Tax, Sales Tax, Business Taxes, and Transient Occupancy Tax, continued to experience solid growth. This was due to economic performance and other contributing factors such as the Successor Agency to the Redevelopment Agency bond refunding that generated additional Property Tax, the full year implementation of the Local Sales Tax, and the modernization of the Business Tax. Only a couple revenue categories experienced declines from the prior year, including Utility Taxes and Fines, Forfeitures, and Penalties.

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**GENERAL FUND REVENUE PERFORMANCE**

**Summary**

Continued positive revenue performance is expected to again be experienced in 2018-2019. The Administration will actively monitor economic indicators and revenues in 2018-2019 through the Bi-Monthly Financial Report and the Mid-Year Budget Review process, and return to the Mayor and City Council with recommendations for any revisions, if necessary.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

The General Fund expenditure performance for 2017-2018 is discussed in detail in this section. This includes an overview of the General Fund expenditure performance, a discussion of significant departmental variances, and highlights of the non-departmental expenditures.

**Overview**

**TABLE B  
2017-2018 GENERAL FUND EXPENDITURE SUMMARY  
COMPARISON OF BUDGET TO ACTUAL**

Category	2017-2018 Modified Budget*	2017-2018 Actual**	Variance	% Variance
Personal Services	\$ 814,841,275	\$ 807,240,325	\$ (7,600,950)	(0.9%)
Non-Personal/Equipment/Other <sup>1</sup>	157,124,983	143,131,745	(13,993,238)	(8.9%)
City-Wide Expenses	328,485,387	305,844,450	(22,640,937)	(6.9%)
Capital Contributions	69,924,284	47,456,696	(22,467,588)	(32.1%)
Transfers	34,346,596	34,346,596	0	0.0%
Reserves	178,294,727	0	(178,294,727)	(100.0%)
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,583,017,252</b>	<b>\$ 1,338,019,812</b>	<b>\$ (244,997,440)</b>	<b>(15.5%)</b>

\* 2017-2018 appropriations as modified by Council through June 30, 2018, and 2016-2017 carryover encumbrances.

\*\* Actual 2017-2018 expenses plus encumbrances.

As shown in Table B, General Fund expenditures and encumbrances through June 30, 2018 of \$1.34 billion were \$245.0 million, or 15.5%, below the modified budget total of \$1.58 billion. Approximately 73% of this savings was generated from unspent reserves (\$178.3 million), with the remaining savings generated from expenditure appropriations. Total 2017-2018 expenditures and encumbrances were \$177.9 million, or 15.3%, above the 2016-2017 level of \$1.16 billion. This increase is due to higher Personal Services (\$77.3 million), City-Wide Expenses (\$88.7 million), Non-Personal/Equipment/Other (\$7.4 million), and Transfers (\$6.3 million), partially offset by lower Capital Contributions (\$1.8 million).

<sup>1</sup> The “Other” category expenditures are primarily comprised of budgets for the Mayor and City Council as well as the Parks, Recreation and Neighborhood Services fee activities program.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Overview**

As shown in Table C, the actual General Fund expenditures of \$1.3 billion were approximately \$18.9 million (1.4%) below the estimate used in the development of the 2018-2019 Adopted Budget. A portion of these savings (\$3.7 million) was carried over to 2018-2019 with the accompanying revenue for grant or reimbursement-related projects and programs, bringing the variance down to \$15.2 million. Clean-up actions of \$2.8 million are recommended in this report to reconcile the Development Fee Programs for 2018-2019 (\$2.5 million) and to adjust various rebudget amounts and reflect clean-up adjustments (\$0.3 million). After accounting for these technical actions, the remaining General Fund expenditures savings totaled \$12.4 million, or 0.8% of the modified budget.

**TABLE C  
2017-2018 EXPENDITURE ESTIMATE TO ACTUAL VARIANCES**

	<b>2017-2018 Estimate</b>	<b>2017-2018 Actual</b>	<b>\$ Variance</b>	<b>% Variance</b>
Expenditures	\$1,356,882,172	\$1,338,019,812	\$(18,862,188)	(1.4%)

These net expenditure savings, when combined with the net variance associated with the General Fund revenues and a small shortfall in the liquidation of prior year encumbrances, represent the additional ending fund balance that is available for allocation. Specifically, as discussed earlier in this report, in 2017-2018, a total of \$10.4 million in additional fund balance is available, which is comprised of net expenditure savings of \$12.4 million (0.9%) and higher than estimated liquidation of prior year encumbrances of \$317,000, partially offset by lower revenues of \$2.4 million (-0.2%). Recommendations on the allocation of these additional funds are provided elsewhere in this report.

Following is a review of the General Fund expenditure categories, including a discussion of variances to the modified budget as well as a comparison to the prior year.

Personal Services expenditures of \$807.2 million ended the year \$7.6 million (0.9%) below budgeted levels (\$814.8 million), but \$77.3 million (10.6%) above the 2016-2017 expenditure levels of \$729.9 million. Expenditures in both years ended the year below the budget primarily as the result of position vacancy savings throughout the organization, the highest of which in 2017-2018 were in the following departments: Fire (\$927,000); Information Technology (\$884,000); and Transportation (\$809,000). Though the Police Department ended the year \$871,000 below budget, a year-end increase of \$6.0 million was approved to ensure the budget was not over-expended.

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## GENERAL FUND EXPENDITURE PERFORMANCE

### Overview

Non-Personal/Equipment/Other expenditures of \$143.1 million ended the year \$14.0 million (8.9%) below budgeted levels (\$157.1 million), but \$7.4 million (5.5%) above the 2016-2017 expenditure level (\$135.7 million). The departments with the largest Non-Personal/Equipment/Other variances included: Planning, Building and Code Enforcement (\$3.4 million, including the Development Fee Programs), Information Technology (\$2.7 million), and the City Manager's Office (\$1.1 million). The Mayor and City Council appropriations also ended the year \$3.6 million below the modified budget. The majority of the Non-Personal/Equipment savings were rebudgeted to 2018-2019 as part of the 2018-2019 Adopted Budget (\$10.0 million) or are recommended to be rebudgeted in the Annual Report (\$1.1 million), resulting in net savings of \$2.9 million.

In the City-Wide Expenses category, expenditures and encumbrances of \$305.8 million ended the year \$22.6 million below the budgeted level of \$328.5 million. Of this amount, \$16.1 million was assumed as savings in 2017-2018 and rebudgeted to 2018-2019, including \$3.1 million that was offset by revenue sources. Of the remaining balance of \$6.6 million, rebudget adjustments totaling \$4.3 million are recommended in this report, and if approved, would result in net savings of \$2.3 million in this category, a 0.1% variance from the budgeted level. The 2017-2018 City-Wide Expenses were \$88.7 million above the 2016-2017 expenditure level of \$217.1 million. This higher expenditure level was primarily the result of higher Tax Revenue Anticipation Notes (TRANs) debt service payments (up \$50.9 million, offset by additional revenue of \$50 million), and FMC debt service payments (up \$36.3 million due to the sale of the property and the pay down of the debt).

In the Capital Contributions category, expenditures of \$47.5 million ended the year \$22.5 million below the budgeted level of \$69.9 million. A total of \$19.0 million was rebudgeted to 2018-2019 in the Adopted Budget, with a remaining savings amount available of \$3.5 million. As part of this report, additional rebudget adjustments totaling \$708,000 are recommended, reducing the Capital balance to \$2.8 million. This remaining balance is primarily attributed to two Public Works projects, the Police Communications Fire Protection System Upgrade (\$1.3 million) due to a re-scope of the project as new fire sprinklers are not required and the East Side Union High School District Community Wireless Network Project (\$1.3 million), which is not going forward due to lack of funding from the school district. The 2017-2018 expenditure level of \$47.5 million was slightly below the 2016-2017 level of \$49.3 million and reflects the budgeted capital projects.

The Transfers category expenditures of \$34.3 million ended the year at the budgeted amount.

The largest single category of remaining funding available in 2017-2018, as planned, is the Reserves category (\$178.3 million), including Earmarked Reserves (\$141.8 million) and the Contingency Reserve (\$36.5 million). The 2018-2019 Adopted Budget assumed that \$184.3 million would be available at year-end, with reserves either re-established in 2018-2019 or used as a funding source for the 2018-2019 Adopted Budget. However, this was the result of an over-rebudget of the Development Fee Program Reserves. To adjust for this over-rebudget, downward rebudget adjustments totaling \$6.0 million are recommended in this report. No reductions to the \$36.5 million Contingency Reserve occurred in 2017-2018.



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## GENERAL FUND EXPENDITURE PERFORMANCE

### Review of General Fund Expenditure Performance

This section provides more detailed information on the departmental and non-departmental performance, including a discussion of significant variances.

Departmental expenditures (\$950.4 million) represented 71% of the total 2017-2018 General Fund expenditures. As can be seen in Table D on the following page, all departments remained within their total budget allocation and expended a cumulative 97.8% of their budgets, generating overall savings of 2.2%, or \$21.6 million. Of this amount, \$10.1 million was rebudgeted in the 2018-2019 Adopted Budget; and additional clean-up actions of \$5.5 million are recommended in this report (including the Development Fee Programs reconciliation of \$2.5 million and other rebudget and clean-up adjustments), leaving a balance of \$6.0 million. Of this balance amount, \$0.4 million was assumed as savings in the development of the 2017-2018 Ending Fund Balance estimate, resulting in a balance of \$5.6 million.

Of the 19 City departments/offices, nine had expenditure savings of less than 5.0%. These nine departments, which included the Police and Fire Departments, generated \$7.2 million (33%) of the departmental savings. The other ten departments with more than 5% in savings accounted for the remaining 67% of the category savings and totaled \$14.4 million. In 2017-2018, the following eight departments/offices had expenditure savings in excess of \$1 million: City Manager; Fire; Information Technology; Mayor and City Council; Parks, Recreation and Neighborhood Services; Public Works; and Transportation. Those departments with General Fund expenditure variances of over 5.0% and \$1.0 million are discussed in detail in the following section, including: the City Manager's Office; the Information Technology Department; the Mayor and City Council Offices; and the Planning, Building, and Code Enforcement Department. The year-end status of expenditures for both the Police and Fire Departments is also summarized.

Non-Departmental expenditures totaled \$387.6 million, or 29% of the total 2017-2018 General Fund expenditures. The unexpended balance at year end totaled \$223.4 million; reserves of \$178.3 million represent the largest portion of unexpended funds and were almost entirely carried over or used in the 2018-2019 Adopted Budget as planned. Excluding reserves, a balance of \$45.1 million remained in this category at year-end. In the 2018-2019 Adopted Budget, \$35.1 million was rebudgeted in the City-Wide Expenses and Capital Contributions categories. Additional rebudget adjustments in these categories totaling \$5.0 million are recommended in the 2017-2018 Annual Report, resulting in total unexpended funds of \$5.1 million.

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## GENERAL FUND EXPENDITURE PERFORMANCE

<b>Review of General Fund Expenditure Performance</b>
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**TABLE D  
TOTAL GENERAL FUND EXPENDITURES**

Departmental	2017-2018 Modified Budget	2017-2018 Expenditures	\$ Variance	% Variance
City Attorney	\$ 16,608,241	\$ 16,414,529	\$ (193,712)	(1.2%)
City Auditor	2,432,846	2,308,656	(124,190)	(5.1%)
City Clerk	2,868,122	2,695,259	(172,863)	(6.0%)
City Manager	19,454,979	17,809,452	(1,645,527)	(8.5%)
Economic Development	6,333,739	5,862,917	(470,822)	(7.4%)
Environmental Services	3,162,914	2,903,133	(259,781)	(8.2%)
Finance	16,777,686	16,053,668	(724,018)	(4.3%)
Fire	220,097,351	218,611,068	(1,486,283)	(0.7%)
Housing	889,533	826,081	(63,452)	(7.1%)
Human Resources	9,022,590	9,004,103	(18,487)	(0.2%)
Independent Police Auditor	1,344,920	1,261,039	(83,881)	(6.2%)
Information Technology	22,675,089	18,930,767	(3,744,322)	(16.5%)
Library	32,489,423	32,057,609	(431,814)	(1.3%)
Mayor and City Council	14,641,532	11,091,070	(3,550,462)	(24.2%)
Parks, Recreation & Neighborhood Services	76,951,879	75,819,903	(1,131,976)	(1.5%)
Planning, Building & Code Enforcement	54,929,500	50,603,347	(4,326,153)	(7.9%)
Police	388,171,309	387,219,496	(951,813)	(0.2%)
Public Works	46,773,755	45,586,961	(1,186,794)	(2.5%)
Transportation	36,340,850	35,313,012	(1,027,838)	(2.8%)
<b>Subtotal</b>	<b>971,966,258</b>	<b>950,372,070</b>	<b>(21,594,188)</b>	<b>(2.2%)</b>
<hr/>				
<b>Non-Departmental</b>				
City-Wide Expenses	328,485,387	305,844,450	(22,640,937)	(6.9%)
Capital Contributions	69,924,284	47,456,696	(22,467,588)	(32.1%)
Transfers	34,346,596	34,346,596	-	0.0%
Earmarked Reserves	114,794,727	-	(114,794,727)	(100.0%)
Contingency Reserve	36,500,000	-	(36,500,000)	(100.0%)
Ending Fund Balance Reserve	27,000,000	-	(27,000,000)	(100.0%)
<b>Subtotal</b>	<b>611,050,994</b>	<b>387,647,742</b>	<b>(223,403,252)</b>	<b>(36.6%)</b>
<b>TOTALS</b>	<b>\$ 1,583,017,252</b>	<b>\$ 1,338,019,812</b>	<b>\$ (244,997,440)</b>	<b>(15.5%)</b>

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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Discussion of Significant Departmental Variances and Other Issues**

Following is a discussion of those departments with significant variances and a summary of the performance in the City’s two largest General Fund departments, Police and Fire.

***Police Department***

On an overall basis, the Police Department expenditures totaled \$387.2 million, or 99.8% of its General Fund budget of \$388.2 million, including encumbrances, resulting in savings of \$952,000.

Personal Services expenditures totaled \$361.2 million, or 99.8% of the \$362.1 million budget. However, during the 2017-2018 year-end clean-up process, the Personal Services budget was increased by \$6.0 million to address a projected overage. A portion of this adjustment was funded by reallocating savings from the Department’s Non-Personal/Equipment appropriation (\$1.95 million). Overtime expenditures of \$43.7 million were slightly below the adjusted budget of \$44.5 million by \$736,000. Departmental overtime was used to backfill vacant sworn and civilian positions, backfill positions in training, support targeted enforcement of high crime activity through suppression cars, specifically related to gang enforcement, prostitution, graffiti, and high profile investigations, and to support the Downtown Foot Patrol Unit. In 2017-2018, the Police Department worked diligently to fill vacancies in both sworn and civilian positions, resulting in the placement of 168 recruits in three Recruit Academies. Vacancy savings have been used to backfill positions in Patrol in recent years. However, as the Department has filled vacancies, these savings have decreased. While the goal is to fill vacancies and eliminate the need to backfill positions, recruits are in academy and field training for 10-12 months and are not available to respond to calls for service. Because overtime was used to staff Patrol while the recruits were in training, without the associated vacancy savings, a budget adjustment was necessary to ensure the department remained within budget. Other expenditure areas also contributed to the higher personal services costs, such as the School Crossing Guard Program.

As of September 2018, the Department had 1,110 authorized sworn staff, of which 38 were vacant (3.4%) and 116 were in training (10.5%), leaving 956 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, the total of 881 sworn positions were actually available.

	<b>2017-2018 (as of 9/21/2017)</b>	<b>2018-2019 (as of 9/21/2018)</b>
<b>Authorized sworn staffing</b>	<b>1,109</b>	<b>1,110</b>
Vacancies	(143)	(38)
<b>Filed Sworn Staffing</b>	<b>966</b>	<b>1,072</b>
Field Training Officer/Recruits	(85)	(116)
<b>Street-Ready Sworn Positions</b>	<b>881</b>	<b>956</b>
Disability/Modified Duty/Other Leaves	(71)	(75)
<b>Street-Ready Sworn Positions Available</b>	<b>810</b>	<b>881</b>

# 2017-2018 ANNUAL REPORT

## GENERAL FUND EXPENDITURE PERFORMANCE

### Discussion of Significant Departmental Variances and Other Issues

During 2017-2018, the Department had 54 recruits, 57 recruits, and 57 recruits in the June 2017, October 2017, and February 2018 Academies, respectively. In order to fill the vacant sworn positions and put more Police Officers back on patrol, the Department is planning to conduct three Police Recruit Academies in 2018-2019, with one conducted in late June 2018 with 58 recruits, and with the next one beginning in October 2018 with an estimated 50 recruits.

The compensatory time balance at the end of 2017-2018 for sworn personnel was 261,223 hours. This balance represents a 7.4% increase compared to the 2016-2017 total sworn compensatory time balance of 243,221 hours. The primary reason for this increase in total compensatory time is due to the vacancies and the reliance on overtime to backfill critical positions.

A total of \$26.0 million (99.7%) of the Department's Non-Personal/Equipment budget was expended or encumbered, with savings of \$81,000 after the reallocation of \$1.95 million to partially offset the year end increase to the Personal Services budget.

#### *Fire Department*

Overall, the Fire Department expended \$218.6 million (99.3%) of its 2017-2018 General Fund budget, including encumbrances, resulting in savings of \$1.5 million. Of this savings, a total of \$190,000 was rebudgeted as part of the 2018-2019 Adopted Budget, leaving savings of \$1.3 million. Additional rebudgets totaling \$221,000 are recommended in this report. In addition, the Personal Services and Non-Personal/Equipment savings of \$343,000 attributed to the Development Fee Program are recommended to be allocated to the Fire Development Fee Program Reserve.

Personal Services expenditures totaled \$209.8 million, or 99.6% of the \$210.7 million budget. The savings of \$927,000 were primarily due to the delay of the Firefighter recruit academy, which started in the fall of 2017 and was completed in March 2018, resulting in 22 new sworn staff.

The Fire Department's overtime expenditures of \$17.1 million ended the year 0.9% (\$155,000) below the modified budget level of \$17.2 million. A combination of full-time staff and overtime was used to address the Fire Department's minimum staffing requirements. The Fire Department monitored daily absences and staffing to manage overtime expenditures.

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## GENERAL FUND EXPENDITURE PERFORMANCE

### Discussion of Significant Departmental Variances and Other Issues

The Fire Department ended 2017-2018 with a total of 174 filled Firefighter paramedic positions (159 front-line Firefighter paramedics, five supervisors, and ten support) compared to the approximately 166 front-line Firefighter Paramedics that are necessary to fully staff all apparatus. The Department continues to monitor its Firefighter/Paramedic staffing levels and deploy resources to meet service needs.

Non-Personal/Equipment expenditures and encumbrances totaled \$8.8 million, or 94.0% of the \$9.4 million budget, generating year-end savings of \$560,000. A portion of this amount (\$73,000) represents the Non-Personal/Equipment savings in the Fire Development Fee Program. Of the Development Fee program savings, \$40,000 was rebudgeted as part of the 2018-2019 Adopted Budget and the balance is recommended to be reallocated to the Fire Department Fee Reserve as part of this report. Of the remaining amount of Non-Personal/Equipment savings, \$150,000 was rebudgeted to 2018-2019 as part of the 2018-2019 Adopted Budget, and \$20,000 is recommended to be rebudgeted in this report.

#### Fire Department's Annual Vacancy and Absence Rates and Their Impact on Overtime

Since the release of a 2001 Overtime Audit, annual information is provided on the Fire Department's annual vacancy and absence rates and their impact on overtime. Through 2011-2012, this information was reported to the Public Safety, Finance and Strategic Support (PSFSS) Committee. At the PSFSS Committee meeting on March 21, 2013, the Administration's recommendation to incorporate the Fire Department's annual vacancy and absence rates and their impact on overtime into the Annual Report was approved. Overtime funding and relief staffing levels are reviewed annually to ensure they are appropriately measured, funded, and managed for sworn minimum staffing requirements. Understanding absence and vacancy rates is important as absence rates are a major personal services cost driver and the associated impact on overtime requires close departmental management.

In 2017-2018, the Department maintained 184 daily minimum line positions to staff all companies at 33 operating fire stations. Daily absences and/or vacant positions are backfilled by available relief personnel or off-duty personnel are brought back to work (on overtime). Maintaining this daily minimum staffing level optimized operational effectiveness and was in conformance with the Memorandum of Agreement between the City and San José Fire Fighters, IAFF Local 230.

Total absence hours of 333,368 in 2017-2018 fell by approximately 5% from 351,210 in 2016-2017. This decrease was due to declines in modified duty, disability, and miscellaneous other hours (from 157,268 in 2016-2017 to 128,862 in 2017-2018). The overall decrease was partially offset by an increase in vacation and sick leave hours (from 193,942 in 2016-2017 to 204,506 in 2017-2018). Vacancy hours decreased slightly from 110,992 in 2016-2017 (5.7% vacancy rate) to 104,832 in 2017-2018 (5.4% vacancy rate). In 2017-2018, the combined absence and vacancy rate was 22.6%, requiring 438,200 hours of backfill.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Discussion of Significant Departmental Variances and Other Issues**

*City Manager*

With total expenditures and encumbrances of \$17.8 million, the City Manager's Office expended 91.5% of the 2017-2018 Modified Budget of \$19.5 million, resulting in savings of \$1.6 million. Personal Services expenditures of \$14.3 million ended the year 3.9% below the budget of \$14.8 million, resulting in savings of \$582,000 due primarily to position vacancies. Non-Personal/Equipment expenditures of \$3.6 million ended the year 23.0% below the budget of \$4.6 million, resulting in savings of \$1.1 million. The majority of these savings (\$845,000) were anticipated and rebudgeted as part of the 2018-2019 Adopted Budget for outstanding projects in the Office of Emergency Management and Office of Immigrant Affairs. Additionally, this report includes a recommendation to rebudget \$110,000 of the remaining balance for projects that are extending into 2018-2019. Other actions recommended in this report include net-zero funding shifts between Personal Services and Non-Personal/Equipment appropriations to provide temporary staffing for the Office of Immigrant Affairs (\$153,000) and to support the Census 2020 project (\$140,000). In addition, the Housing Catalyst position added to the City Manager's Office as part of the Mayor's June Budget Message for 2018-2019 (\$150,000) is recommended to be shifted to the Office of Economic Development.

*Information Technology*

With expenditures of \$18.9 million, including encumbrances, the Information Technology Department (ITD) expended 83.5% of its \$22.7 million General Fund budget, with savings of \$3.7 million. Personal services expenditure savings (including fee activity) totaled \$1.0 million in 2017-2018, which was primarily due to vacancies throughout the department. The vacancy rate increased from 12.8%, as of July 1, 2017 to 17.8% as of June 30, 2018, with 14 vacant positions as of June 30 2018. Non-personal/equipment expenditures and encumbrances totaling \$7.4 million were 26.9%, or \$2.7 million, below the 2017-2018 Modified Budget due to project delays. A total of \$2.0 million of the Non-Personal/Equipment savings was rebudgeted in the 2018-2019 Adopted Budget. These projects, which were not completed in 2017-2018 but will occur in 2018-2019, include: Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure; Network Infrastructure Modernization; Firewall Management; and maintenance and feature additions to the My San José application, the City's Customer Relationship Management system.

*Mayor and City Council*

With total expenditures and encumbrances of \$11.1 million, the Mayor's Office, the City Council Offices, and Council General expended 75.8% of their total General Fund budgets of \$14.6 million, resulting in savings of \$3.6 million at year-end. Of this expended amount, \$2.3 million was realized in the City Council Offices, \$1.2 million was realized in the Mayor's Office, and \$3,000 was realized in Council General as outlined below:

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## GENERAL FUND EXPENDITURE PERFORMANCE

### Discussion of Significant Departmental Variances and Other Issues

#### 2017-2018 Actual Expenditure Performance

	2017-2018 Modified Budget	2017-2018 Actuals	Variance
Council District 1	\$ 925,334	\$ 639,565	\$ 285,769
Council District 2	862,682	793,030	69,652
Council District 3	854,244	665,829	188,415
Council District 4	1,005,668	270,079	735,589
Council District 5	1,174,540	849,812	324,728
Council District 6	863,245	598,248	264,997
Council District 7	853,014	825,951	27,063
Council District 8	1,013,979	720,328	293,651
Council District 9	1,064,135	930,360	133,775
Council District 10	793,731	782,889	10,842
Mayor's Office	5,163,882	3,950,845	1,213,037
Council General	67,078	64,135	2,943
<b>Total</b>	<b>\$ 14,641,532</b>	<b>\$11,091,071</b>	<b>\$ 3,550,461</b>

In the 2018-2019 Adopted Budget, anticipated 2017-2018 savings of \$2.9 million (\$2.0 million in the City Council Offices, \$894,000 in the Mayor's Office, and \$1,000 in Council General) were rebudgeted. Actual year-end savings, however, exceeded these estimates. Based on year-end performance, additional rebudgets totaling \$606,000 are recommended in this document.

#### *Planning, Building and Code Enforcement*

The Planning, Building and Code Enforcement Department (PBCE) ended the year at \$50.6 million, which is \$4.3 million below the 2017-2018 Modified Budget level of \$54.9 million. After accounting for rebudgets included in the 2018-2019 Adopted Operating Budget (\$2.5 million), the resulting net variance for the department totals \$1.8 million.

Personal services savings in 2017-2018 totaled \$930,000, which represents 2.0% of the 2017-2018 Modified Budget level of \$45.7 million. After accounting for rebudgets included in the 2018-2019 Adopted Budget totaling \$153,000, the year-end variance is reduced to \$776,000 (1.7% of the budget). This savings is the result of vacant positions in Non-Development Fee Programs (Community Code Enforcement) and the Development Fee Programs (Planning, Building, Fire, and Public Works).

The Non-Personal/Equipment 2017-2018 expenditures totaled \$5.8 million, which is \$3.4 million below the 2017-2018 Modified Budget of \$9.2 million. A total of \$2.3 million was anticipated and rebudgeted as part of the 2018-2019 Adopted Budget, bringing the variance down to \$1.1 million. This non-personal/equipment savings is due, in part, to contractual staffing services savings.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Discussion of Significant Departmental Variances and Other Issues**

It is important to note that any excess revenues, interest earnings, and expenditures savings associated with the Planning and Building Development Fee Programs are set aside in the Development Fee Program Reserves. In this report, a net decrease of \$1.7 million to the Building Development Fee Program Reserve and a net decrease of \$67,000 to the Planning Development Fee Program Reserve are recommended to account for the additional revenue and expenditure savings.

**Highlights of Non-Departmental Expenditures and Variances**

The non-departmental categories consist of City-Wide Expenses, Capital Contributions, Transfers, Earmarked Reserves, Contingency Reserve, and the Ending Fund Balance Reserve. An overview of the expenditure performance in these categories is provided below:

**TABLE E  
2017-2018 NON-DEPARTMENTAL GENERAL FUND EXPENDITURES  
(In \$000s)**

Category	2017-2018 Modified Budget	2017-2018 Actual	Variance	% Variance
City-Wide Expenses	\$ 328,485,387	\$ 305,844,450	\$ (22,640,937)	(6.9%)
Capital Contributions	69,924,284	47,456,696	(22,467,588)	(32.1%)
Transfers	34,346,596	34,346,596	-	0.0%
Earmarked Reserves	114,794,727	-	(114,794,727)	(100.0%)
Contingency Reserve	36,500,000	-	(36,500,000)	(100.0%)
Ending Fund Balance Reserve	27,000,000	-	(27,000,000)	(100.0%)
<b>TOTAL</b>	<b>\$ 611,050,994</b>	<b>\$ 387,647,742</b>	<b>\$ (223,403,252)</b>	<b>(36.6%)</b>

***City-Wide Expenses***

The City-Wide Expenses category consists of funding that is related to more than one department or that is not directly associated with a department's ongoing operations. Committed expenditures in this category totaled \$305.8 million, or 93.1% of the 2017-2018 Modified Budget, resulting in savings of \$22.6 million. As part of the 2018-2019 Adopted Budget, \$16.1 million was rebudgeted to 2018-2019, including \$3.1 million that was offset by revenue sources. Of the remaining balance of \$6.6 million, rebudget and clean-up adjustments totaling \$4.3 million are recommended in this report, and if approved, would result in net savings of \$2.3 million in this category, a 0.1% variance from the budgeted level.

The major ongoing expenditures in the City-Wide Expenses category are detailed on the following page.



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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Highlights of Non-Departmental Expenditures and Variances**

- TRANs Debt Service payments of \$151.4 million were completed to repay a short-term note of \$150 million that was issued for cash flow purposes necessitated by the pre-funding of employer retirement contributions.
- FMC Debt Service payments of \$38.3 million were \$151,000, or 0.39%, below the 2017-2018 Modified Budget of \$38.4 million. The Adopted Budget estimate for FMC Debt Service Payments of \$2.2 million was increased to \$38.4 million primarily to reflect the sale of the Airport West (FMC) property that occurred in the first half of 2018. Proceeds from the sale were used to pay off the 2008F Bond series and eliminate the City's debt service payment obligation.
- Workers' Compensation Claims payments of \$21.2 million were \$423,000, or 2.0%, above the 2017-2018 Modified Budget of \$20.8 million. While Workers' Compensation Claims appropriations for Fire, PRNS, Public Works, and DOT ended the year with a cumulative savings of \$278,000, Workers' Compensation Claims payments to Police and Other Departments exceeded their appropriations by a total of \$701,000, for a net overage of \$423,000. An adjustment to ratify the Workers' Compensation Claims appropriations to Police Department and Other Departments will be brought forward for City Council consideration on October 2, 2018.
- General Liability Claims of \$17.4 million were \$2.0 million below the 2017-2018 Modified Budget of \$19.4 million and above 2016-2017 expenditures of \$10.6 million. An increase in claims was anticipated, therefore 2016-2017 savings in this appropriation of \$14.0 million were rebudgeted as part of the 2017-2018 Adopted Budget to address these potential claims. The remaining unspent balance of \$2.0 million is recommended to be rebudgeted in this report.
- Convention Center Lease Payments of \$13.6 million ended the year at the 2017-2018 modified budget level. The Convention Center Lease Payments expense was the largest of the City's contractually obligated Successor Agency to the Redevelopment Agency (SARA) obligations. The refunding of the SARA bonds, which were completed in December 2017, removed the City's obligation to pay Convention Center debt. This year marked the final year of Convention Center Lease Payments debt recorded in the General Fund.
- San José BEST and Safe Summer Initiative Programs expenditures of \$6.1 million were \$262,000, or 4.1% below the 2017-2018 Modified Budget of \$6.3 million. As part of the development of the 2018-2019 Adopted Budget, an estimated \$234,000 in savings was anticipated and rebudgeted. Additional year-end savings of \$28,000 are recommended for rebudget as part of this report.
- Sick Leave Payments Upon Retirement expenditures of \$4.1 million came in below budgeted levels by \$940,000, though remained flat with the 2016-2017 level of \$4.1 million.
- Expenditures for Homeless Rapid Rehousing of \$554,000 and the Homeless Response Team of \$2.2 million totaled \$2.8 million and ended the year \$2.1 million below budgeted levels across both appropriations. The savings of \$2.1 million were anticipated in the development of the Adopted Budget and were rebudgeted into 2018-2019.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

<b>Highlights of Non-Departmental Expenditures and Variances</b>
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*Capital Projects*

In 2017-2018, the General Fund provided funding totaling \$69.9 million for capital projects. Of this amount, approximately \$22.5 million was unexpended at year-end. The projects with the largest unexpended balances included:

<b>Capital Projects</b>	Unexpended Funds (\$000s)
Fire Apparatus Replacement	\$ 5,363
City Hall HVAC Control System Replacement	4,454
Police Communications Fire Protection System Upgrade	1,426
East Side Union High School District Community Wireless Network Project	1,364
San Jose Stage Company	1,000
City Hall Waterproofing	915
Police Communications Emergency Uninterrupted Power Supply	758
Emergency Vehicle Preemption Service	541
Police Communications Center Elevator Retrofit	586
All Other Projects	6,064
<b>Total Unexpended Capital Projects</b>	<b>\$ 22,468</b>

Of the \$22.5 million unexpended at the end of 2017-2018, a total of \$19.0 million was rebudgeted to 2018-2019 in the Adopted Budget, leaving a balance of \$3.5 million. As part of the Annual Report, additional rebudget adjustments totaling \$708,000 are recommended, bringing the Capital savings to \$2.8 million. The remaining balance is primarily attributed to two Public Works projects, the Police Communications Fire Protection System Upgrade (\$1.3 million) due to a re-scope of the project as new fire sprinklers are not required and the East Side Union High School District Community Wireless Network Project (\$1.3 million), which is not going forward due to lack of funding from the school district.

The recommended upward and downward rebudget adjustments as well as augmentations for various appropriations are reflected in *Section IV – Recommended Budget Adjustments and Clean-Up/Rebudget Actions* of this document.

*Transfers*

In the Transfers category, expenditures of \$34.3 million ended the year at budgeted levels.

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## GENERAL FUND EXPENDITURE PERFORMANCE

### Highlights of Non-Departmental Expenditures and Variances

#### *Reserves*

General Fund Reserve categories include Earmarked Reserves and the Contingency Reserve. On June 30, 2018, the total Reserve balance was \$178.3 million. The 2018-2019 Adopted Budget assumed that \$184.3 million would be available at year-end, with reserves either re-established in 2018-2019 or used as a funding source for the 2018-2019 Adopted Budget. However, this was the result of an over-rebudget of the Development Fee Program Reserves. To adjust for this over-rebudget, downward rebudget adjustments totaling \$6.0 million are recommended in this report.

Earmarked Reserves totaled \$141.8 million on June 30, 2018, the largest of which were the 2017-2018 Ending Fund Balance Reserve (\$27.0 million); Building Development Fee Program Reserve (\$22.4 million); 2018-2019 Future Deficit Reserve (\$20.3 million); Budget Stabilization Reserve (\$16.3 million); Workers Compensation/General Liability Catastrophic Reserve (\$15.0 million); Fire Development Fee Program (\$7.6 million); Sick Leave Payments Upon Retirement Reserve (\$6.0 million); Salaries and Benefits Reserve (\$5.3 million); Public Works Development Fee Program Reserve (\$5.3 million); Cultural Facilities Capital Maintenance Reserve (\$4.4 million); and Retiree Healthcare Solutions Reserve (\$4.3 million).

The 2017-2018 Ending Fund Balance Reserve of \$27.0 million was proactively set aside to help ensure sufficient fund balance would be available at the end of 2017-2018 to meet the budgeted estimate used in the development of the 2018-2019 Adopted Budget. Annually, as part of the development of the General Fund Forecast and Adopted Budget for the following year, a certain amount of current year unrestricted ending fund balance is estimated to be available at the end of the year as a funding source for the following year's budget. This ending fund balance is expected to be generated from additional revenues above budgeted levels, expenditure savings, and the liquidation of carryover encumbrances during the year. In the 2018-2019 Adopted Budget, it was assumed that \$32.6 million would be generated from these sources. The establishment of the 2017-2018 Ending Fund Balance Reserve set aside a portion of this funding, with the assumption that the remaining amount would be realized by year-end.

The Contingency Reserve totaled \$36.5 million and remained unspent during the year. As part of the development of the 2018-2019 Adopted Budget, the full Contingency Reserve was rebudgeted in order to comply with the Council Policy of maintaining a minimum 3% Contingency Reserve in the General Fund. As part of this report, an additional \$500,000 is recommended to comply with the 3% funding requirement and would bring the 2018-2019 Contingency Reserve to \$37.0 million. It is important to note, however, that if this Contingency Reserve is ever needed, it is only sufficient to cover General Fund payroll expenditures for a couple of weeks in the event of an emergency.

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**GENERAL FUND EXPENDITURE PERFORMANCE**

**Highlights of Non-Departmental Expenditures and Variances**

Recommended expenditure adjustments and clean-up actions can be found in *Section IV – Recommended Budget Adjustments and Clean-Up/Rebudget Actions* of this report. Adjustments are in the following categories: Required Technical/Rebalancing Actions, Grants/Reimbursements/Fees, and Urgent Fiscal/Program Needs as described in detail in the General Fund Recommended Budget Adjustments Summary. In addition, clean-up actions can also be found in this section with a detailed description of recommended actions found in the introduction of that section.

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**III. SELECTED SPECIAL/  
CAPITAL FUNDS  
BUDGET  
PERFORMANCE**



# 2017-2018 ANNUAL REPORT

## III. SELECTED SPECIAL/CAPITAL FUNDS BUDGET PERFORMANCE

This section provides financial information on the 2017-2018 year-end performance for selected special and capital funds that represent major City operations. Specifically, it includes discussions regarding the funds' revenue, expenditure, and ending fund balance performances. The funds are discussed in alphabetical order.

The Revenue and Expenditure Performance chart displays the 2017-2018 Modified Budget and Actual revenues and expenditures, with the dollar and percent variance for each. The revenue figures exclude the Beginning Fund Balance and Reserves while the expenditure figures include encumbrances, but exclude the Ending Fund Balance and other reserves. The Ending Fund Balance Performance chart displays the 2017-2018 Modified Budget, which includes fund balance and reserves. The 2017-2018 Estimated Ending Fund Balance and Actual Ending Fund Balance also includes reserves, with the exception of the reserve for encumbrances. The dollar variance compares the Estimated Ending Fund Balance used to develop the 2018-2019 Adopted Budget with the Actual Ending Fund Balance. The Recommended Annual Report Rebudget Adjustments shows the amount of additional rebudgets recommended in this report and calculates the revised variance should recommended rebudgets be approved.

Revenue Performance: This discussion identifies the amount of revenue received in 2017-2018 and major revenue sources; provides context regarding the year-end revenue performance variance to the modified budget; and compares revenues to the prior year performance.

Expenditure Performance: This discussion identifies the amount of expenditures for 2017-2018 and major expenditure categories; provides context regarding the year-end expenditure performance variance to the modified budget; discusses significant capital improvement project variances relative to the size of the capital fund; lists related 2018-2019 budget actions (such as rebudgets); calculates the revised expenditure variance due to rebudgets approved as part of the 2018-2019 Adopted Budget or as recommended in this report; and compares expenditures to the prior year performance.

Ending Fund Balance Performance: This discussion provides the actual Ending Fund Balance and the estimated Ending Fund Balance used in the development of the 2018-2019 Adopted Budget; discusses variances between these two amounts; and identifies any impact on the 2018-2019 budget related to recommended actions included in this report.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**AIRPORT CAPITAL FUNDS**

	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$69,449	\$51,963	(\$17,486)	(25.2%)
Expenditures	\$100,893	\$65,939	(\$34,954)	(34.6%)

The Airport Capital Funds include the Airport Capital Improvement Fund, the Airport Revenue Bond Improvement Fund, the Airport Renewal and Replacement Fund, and the Airport Passenger Facility Charge Fund.

**Revenues** totaled \$52.0 million and were generated primarily from Passenger Facility Charges (PFCs) (\$27.0 million), transfers from the Airport Surplus Revenue Fund (\$13.6 million) and Airport Revenue Fund (\$1.0 million), grant income (\$9.6 million), and interest earnings (\$677,000). This revenue level was \$17.5 million (25.2%) below the modified budget and \$12.4 million (31.4%) higher than the prior year level of \$39.5 million.

The negative variance to the budget of \$17.5 million (25.2%) was due in most part to much lower than expected receipt of grant revenue. Revenue rebudgets of \$7.7 million are recommended to recognize anticipated grant revenue associated with projects encumbered in 2017-2018 (\$7.4 million) or rebudgeted to 2018-2019 (\$265,000). PFC revenue ended the year above estimated levels by \$3.9 million (17.1%), partially offsetting the grant revenue variance. Overall, revenues in 2017-2018 of \$52.0 million were higher than 2016-2017 revenues of \$39.5 million due primarily to increased PFCs, and transfers in from Airport operating funds.

**Expenditures** totaled \$65.9 million and consisted primarily of transfers to other Airport funds for debt service (\$24.8 million), various capital renewal and replacement projects (\$15.9 million), and several significant airfield and passenger support facility projects, including: Terminal B Gates 29 and 30 (\$6.6 million); Terminal B Ramp Rehabilitation (\$6.0 million); Southeast Ramp Reconstruction (\$2.5 million); and Perimeter Security Technology Infrastructure (\$2.3 million) projects. This expenditure level was \$35.0 million (34.6%) below the modified budget and \$18.8 million (22.2%) below the prior year level of \$84.7 million.

After adjusting for rebudgets of \$21.6 million included in the 2018-2019 Adopted Budget and \$635,000 recommended in this report, expenditure savings of \$12.7 million were largely attributed to project savings in Terminal B Gates 29 & 30 (\$3.8 million), Perimeter Security Technology Infrastructure (\$1.4 million), Terminal B Expansion Ramp (\$1.3 million), Terminal Facility Gap Plan (\$1.2 million), Trench Drain Restoration (\$1.1 million), and Airfield Geometric Implementation (\$1.0 million). Expenditures in 2017-2018 were lower than the prior year as the Airport focused on closing out projects that carried over from the prior fiscal year and prepared for the significant projects planned for the next fiscal year.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**  
**AIRPORT CAPITAL FUNDS**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustments)</i>
\$115,898	\$36,160	\$32,367	(\$3,793)	\$7,032	\$3,239	2.8%

The **Ending Fund Balance** of \$32.4 million was \$3.8 million below the estimate used in the development of the 2018-2019 Adopted Budget. Rebudget adjustments recommended as part of the Annual Report include revenue rebudgets of \$7.7 million to recognize anticipated grant revenue associated with projects encumbered in 2017-2018 or rebudgeted to 2018-2019 as well as expenditure rebudgets of \$635,000. After accounting for the net rebudget adjustments of \$7.0 million, the revised fund balance variance is a positive \$3.2 million.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**AIRPORT OPERATING FUND - AIRPORT CUSTOMER FACILITY AND  
TRANSPORTATION FEE FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<b>2017-2018 Budget</b>	<b>2017-2018 Actuals</b>	<b>Variance</b>	<b>% Variance</b>
Revenues	\$21,165	\$22,606	\$1,441	6.8%
Expenditures	\$20,978	\$20,727	(\$251)	(1.2%)

**Revenues** totaled \$22.6 million and were generated from rental car Customer Facility Charge (CFC) fees (\$20.9 million), rental car contributions (\$1.6 million), and interest earnings (\$152,000). This revenue level was \$1.4 million (6.8%) above the modified budget of \$21.2 million and \$2.43 million (12.1%) above the prior year level of \$20.2 million.

The positive variance to the budget of \$1.4 million (6.8%) was mainly due to higher than estimated CFC revenue, which was driven by an increase in car rental activities. The increase in revenue from the prior year was due to the contributions from rental car companies to cover the shuttle bus transportation costs in 2017-2018. While the rental car companies did not cover this cost in 2016-2017, it was anticipated that CFC revenue would not be sufficient to cover both debt service payments and transportation costs in 2017-2018. Therefore, the budgeted estimate for Rental Car Contributions was increased in 2017-2018.

**Expenditures** totaled \$20.7 million and were primarily attributed to transfers for debt service payments (\$18.5 million) as well as shuttle bus transportation costs (\$2.2 million). The small variance to the budget of \$251,000 (1.2%) was mainly due to slightly lower than budgeted shuttle bus maintenance and operator costs. This expenditure level was \$393,000 (1.9%) above the prior year level of \$20.3 million due to increased debt service and shuttle bus driver and maintenance costs.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<b>2017-2018 Modified Budget</b>	<b>2017-2018 Estimated Ending Fund Balance</b>	<b>2017-2018 Actual Ending Fund Balance</b>	<b>Variance</b>	<b>Recommended Rebudget Adjustments Impact</b>	<b>Revised Variance</b>	<b>Revised Variance % (incl. Rebudget Adjustments)</b>
\$33,781	\$13,886	\$14,494	\$608	\$0	\$608	1.8%

The 2017-2018 **Ending Fund Balance** of \$14.5 million was \$608,000 above the estimate used in the development of the 2018-2019 Adopted Budget. This positive variance from the estimate was largely due to higher than estimated revenues from CFCs and interest earnings as well as slightly lower than estimated non-personal/equipment expenditures.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**AIRPORT OPERATING FUNDS - AIRPORT REVENUE FUND AND AIRPORT  
MAINTENANCE AND OPERATION FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$155,642	\$170,481	\$14,839	9.5%
Expenditures	\$98,759	\$90,348	(\$8,411)	(8.3%)

**Revenues** in the Airport Revenue Fund totaled \$170.5 million and were generated from Parking and Roadways (\$59.6 million), Airline Terminal Rental (\$43.5 million), Terminal Building Concessions (\$22.4 million), Landing Fees (\$19.3 million), Miscellaneous Revenue (\$14.2 million), Airfield Area (\$8.0 million), Petroleum Products (\$3.1 million), transfer from the Airport Fiscal Agent Fund (\$240,000), and a transfer from the General Fund for Jet Fuel Sales Tax (\$220,000). This revenue level was \$14.8 million (9.5%) above the modified budget of \$155.6 million and greater than the prior year level of \$154.0 million.

The positive revenue variance of \$14.8 million resulted from higher than budgeted revenue in several categories: Parking and Roadways (\$9.1 million) due to increased ground transportation trip fees and higher revenue from both economy and daily (long-term) parking; Terminal Building concessions revenue (\$3.5 million) due to increased passenger volume and usage; miscellaneous revenue (\$2.3 million) due to increased interest earnings; and Airfield concessions revenue (\$1.1 million) due to the increased revenue received from the in-flight kitchen tenants. Landing fees revenue (\$835,000) were higher than expected from a combination of rate increases and growth in the number of flights and passengers.

The 2017-2018 revenue level was \$16.5 million (10.7%) higher than the 2016-2017 level of \$154.0 million and this growth is primarily attributed to the increased passenger and commercial traffic operations activity.

**Expenditures** in the Airport Maintenance and Operation Fund totaled \$90.3 million and were primarily for Airport Department non-personal/equipment (\$43.0 million including encumbrances), Airport personal services (\$28.6 million), a transfer to the General Fund for Police and Fire services (\$14.3 million), Overhead (\$2.8 million), and Interdepartmental Services (\$1.4 million) expenditures. This expenditure level was \$8.4 million (9.5%) below the modified budget of \$98.8 million, but \$8.5 million (10.5%) above the prior year level of \$81.8 million.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**AIRPORT OPERATING FUNDS - AIRPORT REVENUE FUND AND AIRPORT MAINTENANCE AND OPERATION FUND**

The variance to the budget of \$8.4 million was mainly due to personal services vacancy savings (\$2.9 million) and non-personal/equipment expenditure savings (\$2.1 million) primarily from prioritizing needs in the terminal program, and the elimination of the Airport Reserve for Retiree Healthcare (\$893,000). The \$8.5 million (10.5%) increase over the prior year was primarily due to higher Airport Department non-personal/equipment costs (\$4.5 million including encumbrances), Airport Department personal services costs (\$2.6 million) and Police/Fire services costs (\$2.1 million). The higher personal services costs reflect the addition of seven positions in the 2017-2018 budget and were necessary to meet increased operational needs resulting from the surge in passenger and commercial flights. Likewise, the non-personal/equipment costs increased due to the higher volume of traffic at the Airport. Costs increased for volume-sensitive items such as water and garbage. Custodial, elevator, and baggage handling system maintenance service levels were also impacted. Passenger and new route marketing that increase with new airline routes and service also contributed to increased expenditures. Higher costs for both Airport Police Division and Aircraft Rescue and Fire Fighting (ARFF) services can be attributed to wage adjustments and increased staffing levels necessary to meet the Airport’s increased operational needs.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i><b>2017-2018 Modified Budget</b></i>	<i><b>2017-2018 Estimated Ending Fund Balance</b></i>	<i><b>2017-2018 Actual Ending Fund Balance</b></i>	<i><b>Variance</b></i>	<i><b>Recommended Rebudget Adjustments Impact</b></i>	<i><b>Revised Variance</b></i>	<i><b>Revised Variance % (incl. Rebudget Adjustments)</b></i>
\$383,121	\$130,382	\$128,434	(\$1,948)	\$0	(\$1,948)	(0.5%)

The 2017-2018 combined **Ending Fund Balance** of \$128.4 million was \$2.0 million below the budgeted estimate used to develop the 2018-2019 Adopted Operating Budget. The variance from the estimate was largely due to year-end actions of \$15.0 million that were not incorporated in the Estimated Ending Fund Balance. The approved year-end actions allowed for payment of \$15.0 million in variable rate commercial paper debt. Offsetting these payments were higher than budgeted revenues from Parking and Roadway concession fees (\$9.1 million), Terminal Building concessions fees (\$3.5 million), Miscellaneous Revenue (\$2.3 million), and Airfield concessions fee (\$1.1 million) and lower than budgeted Airport Department non-personal/equipment (\$3.8 million) and Airport Department personal services expenditures (\$2.9 million). The year-end actions taken focused on reducing indebtedness at a lower cost.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**BUILDING AND STRUCTURE CONSTRUCTION TAX FUND**

	<b>2017-2018 Budget</b>	<b>2017-2018 Actuals</b>	<b>Variance</b>	<b>% Variance</b>
Revenues	\$38,984	\$30,022	(\$8,962)	(23.0%)
Expenditures	\$71,555	\$44,285	(\$27,270)	(38.1%)

**Revenues** totaled \$30.0 million and were generated primarily from Building and Structure Tax (\$21.5 million), grant funding (\$7.4 million), interest earnings (\$765,000), and other revenue (\$391,000). The revenue level was \$3.5 million (13.1%) above the prior level of \$26.5 million. The 2017-2018 revenues were lower than the budgeted estimate of \$39.0 million by approximately \$9.0 million, resulting primarily from lower than budgeted grant (\$6.2 million) and other (\$3.8 million) revenues, offset by higher Building and Structure Construction Tax receipts (\$466,000) and higher interest earnings (\$521,000).

At \$21.5 million, Building and Structure Construction Tax receipts in 2017-2018 were slightly above the budgeted estimate of \$21.0 million but 8.0% lower than in 2016-2017. This lower collection level for Building and Structure Construction Tax revenues is mainly attributable to decreased issuances of permits for commercial and industrial building projects. The total valuation of projects submitted in 2017-2018 was \$1.7 billion, 10.9% below the \$1.9 billion valuation of projects submitted in 2016-2017. Residential valuation of \$631.0 million in 2017-2018 was higher than the 2016-2017 level of \$599.1 million. A total of 3,241 new residential units received permits in 2017-2018, which was above 2016-2017 actuals of 2,712 units. Commercial valuation of \$617.7 million tracked below the prior year level of \$702.6 million. Industrial activity of \$423.4 million was also lower than last year's level of \$574.5 million. Notable activity that took place in 2017-2018 includes building permits for: the Reserve, two apartment buildings (369 units and 267 units) and a 376,000 square foot podium garage, on South Winchester Boulevard; a new six level parking garage and a three story retail building at the Valley Fair Shopping Mall on Stevens Creek Boulevard; two apartment buildings (165 units and 136 units) that are part of the Fairfield Apartment site; a six story office building (located south of Coleman Avenue and west of Highway 87); the balance of construction for a 318-unit apartment building that is part of the Berryessa Flea Market development project (the foundation permit for the building was filed in January 2017); the balance of a nineteen story, 260-unit apartment building (located on the corner of W. San Carlos Street and S. 3rd Street); two new hotels, including a 151,000 square foot, 174 room project (located on North 1st Street) that is part of the Bay 101 project, and a 49,000 square foot hotel project (located near the intersection of Cherry Avenue and Almaden Expressway); and the balance of a garage and the 320,000 square foot mixed use building for the Santana Row Expansion Lot 9 on Olsen Drive. The 2018-2019 Adopted Budget estimate of \$16.0 million allows for a decrease of 25.5% from the actual 2017-2018 collection level.

Grant related revenues of \$4.9 million, which were not received in 2017-2018 due to project delays, were anticipated and rebudgeted during the development of the 2018-2019 Adopted Budget. An additional \$5.2 million of grant funding is recommended to be rebudgeted as part of this report.

**Expenditures** totaled \$44.3 million and were \$27.3 million (38.1%) below the modified budget. A significant portion of the expenditure savings (\$14.6 million), excluding reserves, was anticipated and rebudgeted as part of the 2018-2019 budget process. An additional \$12.2 million is recommended to be rebudgeted as part of this report to ensure sufficient funding for projects in 2018-2019. Once rebudgets are included, expenditures in the

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

Building and Structure Construction Tax Fund approach budgeted levels for 2017-2018. The expenditure level was \$12.3 million (38.5%) above the prior year level of \$32.0 million.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i><b>2017-2018 Modified Budget</b></i>	<i><b>2017-2018 Estimated Ending Fund Balance</b></i>	<i><b>2017-2018 Actual Ending Fund Balance</b></i>	<i><b>Variance</b></i>	<i><b>Recommended Rebudget Adjustments Impact</b></i>	<i><b>Revised Variance</b></i>	<i><b>Revised Variance % (incl. Rebudget Adjustments)</b></i>
\$95,540	\$34,024	\$42,406	\$8,382	(\$7,081)	\$1,301	1.4%

The **Ending Fund Balance** of \$42.4 million was \$8.4 million above the estimate used in the development of the 2018-2019 Adopted Budget. After accounting for net rebudget adjustments of \$7.1 million recommended in the Annual Report, the positive variance is reduced to \$1.3 million. Significant expenditure rebudgets include Route 101/Blossom Hill Interchange (\$3,169,000), and Autumn Street Extension (\$1,943,000), Route 101/Mabury Road Project Development (\$1,663,000).

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## PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

### CONSTRUCTION AND CONVEYANCE TAX FUNDS

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$81,703	\$75,608	(\$6,095)	(7.5%)
Expenditures	\$127,971	\$86,506	(\$41,465)	(32.4%)

The Construction and Conveyance (C&C) Tax Funds consist of the Communications C&C Tax Fund, Fire C&C Tax Fund, Library C&C Tax Fund, Parks Central C&C Tax Fund, Parks City-Wide C&C Tax Fund, 10 Council District C&C Tax Funds, and Park Yards C&C Tax Fund.

**Revenues** generated in the Construction and Conveyance (C&C) Tax Funds in 2017-2018 totaled \$75.6 million and were comprised of C&C Tax receipts (\$48.1 million), transfers between funds (\$20.6 million), interest earnings (\$1.2 million), developer contributions and miscellaneous revenue (\$3.4 million, which includes commercial paper proceeds in the Parks City-Wide C&C Tax Fund of \$2.1 million), and state and federal grants (\$2.3 million). This revenue level is \$6.1 million below the budgeted estimate of \$81.7 million, primarily due to lower Commercial Paper Proceeds (\$18.4 million), partially offset by higher than budgeted C&C tax proceeds (\$6.1 million) and transfers between funds (\$5.8 million).

C&C Tax revenue collections in 2017-2018, which were primarily generated from property transfers, totaled \$48.1 million, an increase of \$4.8 million (11.2%) from the 2016-2017 collection level of \$43.3 million. The 2017-2018 tax receipts of \$48.1 million is less than 2% below the highest level of collection experienced for this tax, which was collected in 2005-2006 (\$49.0 million). It should be noted that after reaching the historical level in 2005-2006, receipts dropped 14.7% in 2006-2007 (\$41.8 million), then dropped an additional 45.0% in 2007-2008 (\$26.8 million). Due to the volatile nature of C&C tax revenue, these receipts will be closely monitored in 2018-2019.

Changes in home prices and the number of sales are major drivers of C&C Tax receipts. The median home price for single family homes within the City increased from \$996,000 in June 2017 to \$1.2 million in June 2018, which represents a 23.0% increase. In addition, the amount of time it takes to sell a home (single-family and multi-family dwelling units) has decreased in the past year from an average of 18 days in June 2017 to an average of 15 days in June 2018. However, the number of home sales (single-family and multi-dwelling units) have decreased over the past year, compared to 2016-2017 activity levels. The number of sales in 2017-2018 totaled 7,513, which is a 4.7% decrease from the 2016-2017 level of 7,883. The available inventory of homes in San José (single-family and multi-dwelling units) have also recently reached a historically low level. In 2017-2018 there was a total of 8,450 new listings, which is over 50% less than the recent peak of 17,419 new listings that occurred in 2005-2006.

The 2017-2018 Adopted Capital Budget was developed with the assumption that C&C Tax receipts would total \$38.0 million in 2016-2017 and dip slightly to \$36.0 million in 2017-2018. These assumptions were based on historical collection trends and actual receipts received in 2016-2017, allowing for some moderation in activity levels. In the last quarter of 2016-2017, however, tax receipts had a stronger than



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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**CONSTRUCTION AND CONVEYANCE TAX FUNDS**

expected performance, which resulted in the 2016-2017 receipts totaling \$43.3 million. Due to the higher than expected collections in 2016-2017, the 2017-2018 C&C Tax Adopted Budget estimate of \$36.0 million, allowed for a 16.9% decline in tax revenue from the 2016-2017 actual tax collection. Based on monthly collection levels experienced through the first half of 2017-2018, the 2017-2018 Mid-Year Budget Review increased the 2017-2018 revenue estimate from \$36.0 million to \$42.0 million. The 2018-2019 Adopted Capital Budget was built on the assumption that 2017-2018 receipts would total \$42.0 million, then drop by almost 10% to \$38.0 million in 2018-2019. However, as previously discussed, the 2017-2018 receipts totaled \$48.1 million due to stronger than anticipated performance in the last half of the fiscal year. Therefore, the 2018-2019 revenue estimate of \$38.0 million allows for a 21% decline in tax revenue from the 2017-2018 actual tax collection. Receipts in 2018-2019 will be closely monitored to determine in budget adjustments should be brought forward in 2018-2019.

**Expenditures** totaled \$86.5 million and were derived primarily from various capital projects and transfers to other funds across the 17 C&C Tax funds (Council Districts 1-10, Parks City-Wide, Parks Central, Park Yards, Fire, Library, Service Yards, and Communications). This expenditure level is \$41.5 million (32.4%) below the budgeted expenditure level of \$128.0 million, and is primarily the result of unexpended capital project funding. The 2017-2018 expenditure level of \$86.5 million was \$4.7 million (5.2%) below the prior year level of \$91.2 million.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<b>2017-2018 Modified Budget</b>	<b>2017-2018 Estimated Ending Fund Balance</b>	<b>2017-2018 Actual Ending Fund Balance</b>	<b>Variance</b>	<b>Recommended Rebudget Adjustments Impact</b>	<b>Revised Variance</b>	<b>Revised Variance % (incl. Rebudget Adjustment)</b>
\$169,078	\$69,778	\$77,310	\$7,532	(\$272)	\$7,260	4.29%

The **Ending Fund Balance** of \$77.3 million was \$7.5 million above the \$69.8 million estimate used to develop the 2017-2018 Adopted Capital Budget. After accounting for net revenue and expenditure rebudget adjustments of \$272,000 recommended in the Annual Report, the revised variance totals \$7.3 million, or 4.3% of the 2017-2018 Modified Budget.

As described in *Section IV – Recommended Budget Adjustments and Clean-up/Rebudget Actions*, this report includes recommendations to allocate \$1.3 million from various C&C Tax Fund Ending Fund Balances to fund various capital projects, including Forestdale Tot Lot Renovation (\$18,000 – Council District 3 C&C Tax Fund), Noble Modular Neighborhood Center Improvements (\$20,000 – Council District 4 Tax Fund), TRAIL: Coyote Creek Story Road Intersection Enhancements (\$309,000 – Council District 7 C&C Tax Fund), TRAIL: Thompson Creek (Quimby Rd- Aborn Ct) Reserve (\$106,000 – Council District 8 C&C Tax Fund), Waterford Park Improvements (\$150,000 – Council District 10 C&C Tax Fund), Financing Strategy Feasibility Study (\$6,000 – Central C&C Tax Fund), Happy Hollow Park and Zoo Security Improvements (\$259,000 – City-Wide C&C Tax Fund), Happy Hollow Park and Zoo Lower Zoo Master Plan and Design (\$14,000 – City-Wide C&C Tax Fund), Arcadia Softball Facility, Fixtures, Furnishings, and Equipment (\$260,000 – City-Wide C&C Tax Fund), Family Camp Capital Improvements Reserve (\$82,000 – City-Wide C&C Tax), and VTA Property Lease (\$5,000 – Service Yards C&C Tax Fund). The remaining fund balance is recommended to be allocated to the respective funds’ 2017-2018 Ending Fund Balance for future use.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**CONSTRUCTION EXCISE TAX FUND**

	<b>2017-2018 Budget</b>	<b>2017-2018 Actuals</b>	<b>Variance</b>	<b>% Variance</b>
Revenues	\$116,427	\$71,431	(\$44,996)	(38.6%)
Expenditures	\$175,212	\$97,913	(\$77,299)	(44.1%)

**Revenues** totaled \$71.4 million and were primarily generated from the Construction Excise Taxes (\$29.4 million), grant funding (\$23.8 million), traffic impact fees (\$14.2 million), interest (\$1.6 million), transfers (\$0.8 million), miscellaneous revenue (\$0.7 million), licenses and permits (\$0.6 million), and developer contributions (\$0.4 million). The revenue level was \$45.0 million (38.6%) below the budget estimate but \$13.4 million (23.1%) above the prior year level of \$58.0 million.

The 2017-2018 revenue level was lower than the 2107-2018 Modified Budget estimate of \$116.4 million, primarily due to lower receipts from grant funds (\$46.8 million). However, this shortfall was partially offset by higher than estimated interest earnings (\$892,000), miscellaneous revenues and contributions (\$644,000), and Construction Excise Tax collections (\$359,000). Grant related revenues of \$39.0 million, including \$23.8 million of anticipated revenue from VTA 2016 Measure B, which were not received in 2017-2018 due to project delays, were anticipated and rebudgeted as part of the development of the 2018-2019 Adopted Budget. An additional \$4.1 million is recommended to be rebudgeted as part of this report. The revenue variance to the prior year mainly resulted from higher collections from traffic impact fees (\$8.2 million), grant-related revenues (\$5.3 million), and interest earnings (\$0.6 million), which were partially offset by lower Construction Excise Tax receipts (\$0.8 million).

At \$29.4 million, Construction Excise Tax receipts in 2017-2018 were 1.2% (\$359,000) above the final 2017-2018 Modified Budget estimate of \$29.0 million, but 2.7% lower than 2016-2017 collections of \$30.2 million. During 2017-2018, the Construction Excise Tax revenue estimate was increased by \$5.0 million, from the \$24.0 million estimate included in the 2017-2018 Adopted Budget, to align with higher than anticipated collections. This additional revenue was programmed for pavement maintenance. Relative to the recent high collections for 2016-2017, the lower Construction Excise Tax collection level for 2017-2018 is primarily attributable to decreased issuances of permits for commercial building projects. The total valuation of residential and commercial projects submitted in 2017-2018 was \$1.25 billion, 3.9% below the \$1.30 billion valuation of residential and commercial projects submitted in 2016-2017 (the Construction Excise Tax does not apply to industrial projects). Residential valuation of \$631.0 million in 2017-2018 was higher than the 2016-2017 level of \$599.1 million. A total of 3,241 new residential units received permits in 2017-2018, which was above 2016-2017 actuals of 2,712 units. Commercial valuation of \$617.7 million tracked below the prior year level of \$702.6 million. Notable activity that took place in 2017-2018 includes building permits for: the Reserve, two apartment buildings (369 units and 267 units) and a 376,000 square foot podium garage, on South Winchester Boulevard; a new six level parking garage and a three story retail building at the Valley Fair Shopping Mall on Stevens Creek Boulevard; two apartment buildings (165 units and 136 units) that are part of the Fairfield Apartment site; a six story office building (located south of Coleman Avenue and west of Highway 87); the balance of construction for a 318-unit apartment building that is part of the Berryessa Flea Market development project (the foundation permit for the building was filed in January 2017); the balance of a nineteen story, 260-unit apartment building (located on the corner of W. San Carlos Street and S. 3rd Street); two new hotels,

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## PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS

### CONSTRUCTION EXCISE TAX FUND

including a 151,000 square foot, 174 room project (located on North 1st Street) that is part of the Bay 101 project, and a 49,000 square foot hotel project (located near the intersection of Cherry Avenue and Almaden Expressway); and the balance of a garage and the 320,000 square foot mixed use building for the Santana Row Expansion Lot 9 on Olsen Drive.

When the 2018-2019 Adopted Budget was developed, it was assumed that Construction Excise Tax receipts would total \$27.0 million in 2017-2018 and drop to \$21.0 million (22.2%) in 2018-2019 as the recent higher rates of development begin to taper off. Based on higher actual receipts of \$29.4 million in 2017-2018, Construction Excise Tax revenue can now drop 28.5% in 2018-2019 and still meet the budgeted estimate of \$21.0 million. Given the volatility of this revenue category, the Administration will continue to be closely monitor revenues throughout 2018-2019 for potential adjustment.

**Expenditures** totaled \$97.9 million and were \$77.3 million (44.1%) below the 2017-2018 Modified Budget. A portion of the expenditure savings (\$48.6 million) was anticipated and rebudgeted as part of the 2018-2019 budget process, in addition to the rebudgeting of reserves (\$40.3 million). These actions included the rebudgeting of \$1.5 million of the additional \$5.0 million recognized during 2017-2018 from Construction Excise Tax proceeds. The balance of this additional funding was allocated in 2017-2018 to fully award and deliver the entire scope of work planned for the Major Street Network for the 2018 pavement maintenance program, avoiding potential reductions due to higher than anticipated construction bids. The majority of this funding was committed in 2017-2018, as year-ending expenditures totaled \$32.7 million, or 97.8% of the 2017-Modified Budget level of \$33.4 million, requiring reconciling adjustment for 2018-2019. An additional \$5.1 million is recommended to be rebudgeted as part of this report to ensure sufficient funding for projects in 2018-2019. In addition, excess Construction Excise Tax receipts above the 2017-2018 Modified Budget (\$359,000) are recommended to be allocated to pavement maintenance. The expenditure level was \$20.0 million above the prior year level of \$77.9 million, primarily due to the progression of pavement maintenance projects during 2017-2018.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<b>2017-2018 Modified Budget</b>	<b>2017-2018 Estimated Ending Fund Balance</b>	<b>2017-2018 Actual Ending Fund Balance</b>	<b>Variance</b>	<b>Recommended Rebudget Adjustments Impact</b>	<b>Revised Variance</b>	<b>Revised Variance % (incl. Rebudget Adjustments)</b>
\$225,667	\$64,483	\$82,760	\$18,277	(\$1,017)	\$17,259	7.6%

The **Ending Fund Balance** of \$82.8 million was \$18.3 million above the estimate used in the development of the 2017-2018 Adopted Budget. After accounting for net revenue and expenditure rebudgets of \$1.0 million recommended in the Annual Report, this positive variance drops to \$17.3 million. Significant expenditure rebudgets include Pavement Maintenance – State Gas Tax (\$3,632,000), North San José Improvement – 101/Zanker (\$2,678,000), and North San José Improvement – 880/Charcot (\$1,169,000).

As described in *Section IV – Recommended budget Adjustments and Clean-Up Actions*, a limited number of new grants and projects as well as revisions to existing projects are recommended in this report. After accounting for all recommended adjustments, approximately \$692,000 is recommend to be allocated to the 2018-2019 Ending Fund Balance.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**INTEGRATED WASTE MANAGEMENT FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$131,669	\$134,358	\$2,689	2.0%
Expenditures	\$138,308	\$135,445	(\$2,863)	(2.1%)

**Revenues** totaled \$134.4 million and were generated primarily from Recycle Plus collection charges (\$124.0 million), AB939 Fees (\$4.0 million), and Recycle Plus negotiated hauler payments (\$2.7 million). This revenue level was \$2.7 million above the modified budget of \$131.7 million (2.0%) and \$5.1 million (3.9%) above the prior year level of \$129.3 million.

The variance to the budget was mainly due to higher Recycle Plus collection charges (\$1.1 million), lien-related charges (\$444,000), higher Household Hazardous Waste Revenue from County (\$429,000) as this revenue stream is not budgeted due to its volatility, and higher AB939 fees (\$414,000). The variance to the prior year was due primarily to both increased lien-related charges and significantly increased Recycle Plus collection charges.

**Expenditures** totaled \$135.4 million and were primarily for Single-Family Dwelling (SFD) Recycle Plus contracts (\$54.7 million), yard trimmings/street sweeping contract (\$23.3 million), Multi-Family Dwelling (MFD) Recycle Plus contracts (\$20.8 million), SFD back-end processing (\$12.3 million), Environmental Services Department (ESD) personal services (\$7.5 million), and International Disposal Corporation of California, Inc. (IDC) disposal agreement (\$4.5 million). This expenditure level was \$2.9 million (2.1%) below the modified budget of \$138.3 million and \$5.4 million (4.1%) above the prior year level of \$130.1 million.

The variance to the budget was mainly due to savings in SFD back-end processing (\$2.0 million), SFD Recycle Plus contracts (\$1.1 million), ESD personal services (\$623,000), the yard trimmings/street sweeping contract (\$305,000), and MFD Recycle Plus contracts (\$301,000). The higher expenditure level compared to the prior year was due largely to higher costs for SFD Recycle Plus (\$2.4 million), and SFD back-end processing (\$2.2 million), partially offset by lower expenditures for personal services from the Information Technology Department (\$614,000), and lower costs for the IDC disposal agreement (\$610,000).

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS  
INTEGRATED WASTE MANAGEMENT FUND**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$160,416	\$30,105	\$30,745	\$640	\$16	\$656	0.4%

The **Ending Fund Balance** of \$30.7 million was \$640,000 above the estimate used in the development of the 2018-2019 Adopted Budget. After accounting for rebudget adjustments recommended in the Annual Report, the variance remains roughly the same at \$656,000. This ending fund balance was slightly higher than the estimate largely due to higher than estimated revenues from lien-related charges (\$414,000) and higher Household Hazardous Waste Revenue from County (\$279,000).

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SAN JOSÉ-SANTA CLARA TREATMENT PLANT CAPITAL FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$180,938	\$101,648	(\$79,290)	(43.8%)
Expenditures	\$378,118	\$317,923	(\$60,195)	(15.9%)

**Revenues** totaled \$101.6 million and were generated primarily from Revenue from Local Agencies, including contributions from Santa Clara and the tributary agencies for projects and debt service payments (\$50.7 million); a transfer from the Sewer Service and Use Charge Fund (\$26.1 million); Wastewater Revenue Notes (\$18.5 million); a transfer from the Sewage Treatment Plant Connection Fee Fund (\$3.1 million); and interest income (\$3.0 million). This revenue level was \$79.3 million (43.8%) below the modified budget and \$27.4 million (37.0%) above the prior year level of \$74.2 million.

The negative revenue variance to the budget was due primarily to a delay in issuing wastewater revenue notes (\$71.5 million) and lower contributions from the tributary agencies for projects (\$7.4 million), as a result of the reconciliation for actual Treatment Plant expenditures and encumbrances over the course of the prior year. The variance to the prior year was due primarily to higher contributions from Santa Clara and the tributary agencies (\$18.9 million), the issuance of Wastewater Revenue Notes (\$18.5 million) for capital projects; partially offset by a lower transfer from the Sewer Service and Use Charge Fund (\$9.6 million) for capital projects. It is anticipated that the Wastewater Revenue Notes will now be issued in 2018-2019 to cover the project costs and a rebudget of these funds is recommended as part of the Annual Report actions.

**Expenditures** totaled \$317.9 million and were primarily attributed to capital improvement projects (\$307.6 million) and debt service payments (\$10.3 million). The largest expenditures included Digester and Thickener Facilities Upgrade (\$146.0 million), Energy Generation Improvements (\$98.0 million), Advanced Facility Control and Meter Replacement (\$8.9 million), Program Management (\$8.4 million), Aeration Tanks and Blower Rehabilitation (\$7.3 million), and New Headworks (\$6.1 million). This expenditure level was \$60.2 million (15.9%) below the modified budget but \$117.5 million (58.6%) above the prior year level of \$200.4 million.

After accounting for all project rebudgets, including those recommended in this report, the \$60.2 million expenditure variance drops to \$3.9 million, or 1.0% below the budget. The majority of this variance is due to unspent balance in two ongoing appropriations: Plant Infrastructure Improvements (\$1.8 million), and Equipment Replacement (\$1.7 million). Additional savings were realized in the Capital Program and Public Works Department Support Service Costs (\$311,000) appropriation. Expenditures were above the prior year due primarily to the Energy Generation Improvements (\$75.0 million), Digester and Thickener Facilities Upgrade (\$19.5 million), Advanced Facility Control and Meter Replacement (\$7.8 million), and Aeration Tanks and Blower Rehabilitation (\$5.9 million) projects.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SAN JOSÉ-SANTA CLARA TREATMENT PLANT CAPITAL FUND**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Rebudget Adjustments</i>	<i>Revised Variance (incl. Rebudget Adjustments)</i>	<i>Revised Variance As % of Modified Budget</i>
\$396,481	\$61,668	\$301	(\$61,367)	\$64,130	\$2,763	0.7%

The **Ending Fund Balance** of \$301,000 was \$61.4 million below the estimate used in the development of the 2018-2019 Adopted Budget. This ending fund balance was lower than the estimate primarily due to a delay in issuing Wastewater Revenue Notes (\$71.5 million) offset by lower than estimated expenditures from the following ongoing allocations: Urgent and Unscheduled Treatment Plant Rehabilitation (\$4.5 million), Plant Infrastructure Improvements (\$1.8 million), and Equipment Replacement (\$1.7 million). Along with expenditure rebudgets, budget actions are included in the Annual Report to rebudget the Wastewater Revenue Notes to 2018-2019 (\$71.5 million).

After accounting for rebudget adjustments recommended in the Annual Report, the fund balance variance drops to \$2.8 million, which is recommended to be allocated to the 2018-2019 Ending Fund Balance for future use.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUNDS**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$247,170	\$250,607	\$3,437	1.4%
Expenditures	\$254,610	\$244,812	(\$9,798)	(3.8%)

The San José-Santa Clara Treatment Plant operating funds consist of the Sewer Service and Use Charge Fund (SSUC Fund), the San José-Santa Clara Treatment Plant Operating Fund (Plant Operating Fund), the Sewage Treatment Plant Connection Fee Fund (Connection Fee Fund), and the San José-Santa Clara Treatment Plant Income Fund (Plant Income Fund).

**Revenues** totaled \$250.6 million and were generated primarily from sewer service and use charges for residential (\$128.2 million), commercial (\$22.5 million), and industrial (\$4.1 million) users; a transfer from the SSUC Fund to the Plant Operating Fund (\$49.0 million); contributions from tributary agencies (\$17.8 million) and the City of Santa Clara (\$12.5 million); recycled water sales and rebates (\$11.2 million); and Connection Fees (\$3.4 million). This revenue level was \$3.4 million (1.4%) above the modified budget and \$7.6 million (3.1%) above the prior year level of \$243.0 million.

The variance to the budget of \$3.4 million (1.4%) was mainly due to higher connection fees (\$1.9 million), contributions from the City of Santa Clara (\$1.1 million), residential SSUC charges (\$774,000), and recycled water sales and rebates (\$211,000), partially offset by lower commercial (\$910,000) and industrial (\$393,000) SSUC charges. Revenues also came in higher than the prior year due primarily due to higher residential SSUC charges (\$8.9 million), recycled water sales and rebates (\$1.5 million), connection fees (\$959,000), and contributions from tributary agencies (\$712,000), partially offset by a lower transfer from the SSUC Fund to the Plant Operating Fund (\$4.5 million), and lower industrial SSUC charges (\$230,000).

**Expenditures** totaled \$244.8 million and were primarily for the following: transfers to the Sewer Service and Use Charge Capital Fund (\$32.0 million) and San José-Santa Clara Treatment Plant Capital Fund (Plant Capital Fund) (\$26.1 million); Environmental Services Department (ESD) personal services (\$55.8 million) and non-personal/equipment (\$30.3 million) costs; overhead reimbursements (\$17.2 million); and Department of Transportation (DOT) personal services (\$12.2 million) and non-personal/equipment (\$5.3 million) costs. This expenditure level was \$9.8 million (3.8%) below the modified budget, and \$3.9 million (1.6%) below the prior year level of \$248.7 million.

Expenditures ended the year \$9.8 million (3.8%) below the budget primarily due to personal services (\$3.7 million) and non-personal/equipment (\$3.1 million) expenditure savings in ESD, largely a result of vacancy savings and coordinating various maintenance repairs projects with several ongoing capital improvement projects; expenditure savings from the major litigation costs allocation (\$600,000), which was not used in 2017-2018; and non-personal/equipment (\$722,000) and personal services (\$613,000) expenditure savings in DOT.



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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SAN JOSE-SANTA CLARA TREATMENT PLANT OPERATING FUNDS**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Rebudget Adjustments</i>	<i>Revised Variance (incl. Rebudget Adjustments)</i>	<i>Revised Variance As % of Modified Budget</i>
\$344,421	\$104,720	\$105,992	\$1,272	(\$340)	\$932	0.3%

The **Ending Fund Balance** of \$106.0 million was \$1.3 million above the estimate used in the development of the 2018-2019 Adopted Budget. After accounting for rebudget adjustments recommended in this Annual Report, the variance drops to \$932,000. The ending fund balance was higher than the estimate due to a variety of factors: higher than estimated connection fees (\$620,000), higher than estimated sewer and service use charges for industrial (\$181,000), and interest (\$161,000); lower than estimated personal services costs in ESD (\$870,000); and partially offset by higher than estimated non-personal/equipment costs in ESD (\$1.4 million). This higher ending fund balance of \$932,000 is recommended to be distributed across the 2018-2019 Ending Fund Balance allocations in the various funds.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SANITARY SEWER CAPITAL FUNDS**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$34,808	\$34,994	\$185	0.5%
Expenditures	\$118,697	\$105,156	(\$13,541)	(11.4%)

The Sanitary Sewer Capital Funds include the Sewer Service and Use Charge Capital Improvement Fund (SSUC Fund) and the Sanitary Sewer Connection Fee Fund (Connection Fee Fund).

**Revenues** totaled \$35.0 million and were generated from a transfer from the Sewer Service and Use Charge (SSUC) Fund (\$32.0 million), interest income (\$1.3 million), connection fees (\$1.1 million), joint participation payments (\$584,000), and miscellaneous revenue (\$15,000). This revenue level was \$185,000 (0.5%) above the modified budget and \$624,000 (1.8%) above the prior year level of \$34.4 million.

The variance to the budget was mainly due to lower joint participation payments (\$926,000), partially offset by higher interest (\$659,000) and connection fee (\$438,000) revenues. Joint participation payments, which reflect the West Valley Sanitation District’s (WVSD) and County Sanitation Districts’ share of costs for projects in their jurisdictions, came in lower than budgeted primarily due to a delay of the 60” Brick Interceptor, Phase VIA and VIB project, which was awarded and encumbered in June 2018, causing a delay in payments from WVSD for this project. The positive variance to the prior year was due primarily to higher connection fees (\$340,000) and interest income (\$274,000) in 2017-2018.

**Expenditures** totaled \$105.2 million due to the progress on a variety of capital projects, the largest of which were: 60” Brick Interceptor, Phase VIA and VIB (\$42.0 million), Condition Assessment Sewer Repairs (\$11.5 million), Immediate Replacement and Diversion Projects (\$10.4 million), Urgent Rehabilitation and Repair Projects (\$9.5 million), and Cast Iron Pipe – Remove and Replace (\$6.1 million). This expenditure level was \$13.5 million (11.4%) below the modified budget and \$30.7 million (41.2%) above the prior year level of \$74.5 million.

Expenditures were below the budget by \$13.5 million (11.4%) as a result of project savings and unexpended project funds across a number of projects. Several of these projects are recommended to be rebudgeted to 2018-2019 in this report as a result of project delays or were rebudgeted in the 2018-2019 Adopted Budget: Urgent Rehabilitation and Repair Projects (\$1.9 million), Cast Iron Pipe – Remove and Replace (\$935,000), 30” Old Bayshore Supplement (\$911,000, of which \$250,000 was rebudgeted in the 2018-2019 Adopted Budget), Rehabilitation of Sanitary Sewer Pump Stations (\$871,000), and Public Art (\$881,000, of which \$800,000 was rebudgeted in the 2018-2019 Adopted Budget). Aside from the standard year-to-year variances across projects that occur in capital funds, the higher expenditure level compared to the prior year can be attributed primarily to the 60” Brick Interceptor, Phase VIA and VIB (\$41.2 million) project, which was awarded in 2017-2018.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SANITARY SEWER CAPITAL FUNDS**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Rebudget Adjustments</i>	<i>Revised Variance (incl. Rebudget Adjustments)</i>	<i>Revised Variance As % of Modified Budget</i>
\$123,679	\$9,238	\$19,329	\$10,091	(\$353)	\$9,738	7.9%

The **Ending Fund Balance** of \$19.3 million was \$10.1 million above the estimate used in the development of the 2018-2019 Adopted Budget. After accounting for rebudget adjustments recommended in the Annual Report, the variance decreases to \$9.7 million. This ending fund balance was above the estimate largely due to higher than anticipated interest income (\$659,000) and lower than anticipated expenditures across several ongoing allocations, including Urgent Rehabilitation and Repair Projects (\$2.0 million), Cast Iron Pipe – Remove and Replace (\$935,000), Montgomery-Riverside Relief Sanitary Sewer Improvements (\$670,000), and 30” Old Bayshore Supplement (\$661,000), as well as minimally lower than anticipated expenditures across many other projects in the program.

After accounting for all recommended adjustments, approximately \$9.2 million is recommended to be allocated to the SSUC Fund 2018-2019 Ending Fund Balance and \$847,000 allocated to the Connection Fee Fund 2018-2019 Ending Fund Balance for future use.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SELF-INSURED MEDICAL FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$14,000	\$13,865	(\$135)	(1.0%)
Expenditures	\$14,042	\$13,478	(\$564)	(4.0%)

The Self-Insured Medical Fund was established in November 2016, with a plan effective date of January 1, 2017, to account for the City-insured Preferred Provider Organization (PPO) plan. On June 21, 2016, the City Council authorized the City Manager to enter an agreement with Blue Shield of California to provide a City-insured PPO medical insurance plan for employees, pre-65 retirees, and dependents. In 2016, the City issued an off-cycle Request for Proposal to identify a health care provider with rates competitive with Kaiser to create a more sustainable non-Kaiser option. Sutter Health Plus offered a Health Maintenance Organization (HMO) plan that could compete with Kaiser but did not offer a PPO plan. Blue Shield would provide a City-insured PPO plan but would not offer a fully insured PPO plan. To retain a PPO and offer active employees and retirees options, the Administration recommended the City-insured PPO plan.

**Revenues** totaled \$13.9 million and were generated from Reimbursements from Retirement Funds (\$9.1 million), a Transfer from the General Fund (\$1.65 million), Participant Contributions (\$1.6 million), Reimbursements from City Funds (\$1.4 million), and Miscellaneous Revenues (\$128,000). The total revenue level was \$135,000 (1.0%) below the modified budget. The variance to the budget of \$135,000 (1.0%) was mainly due to lower participant contributions.

As of January 1, 2018, the Fund and associated medical insurance had been in operation for one year. During the open enrollment period for the 2018 calendar year, enrollees in the plan declined 14.4%, including a 10.7% drop for active employees and a 15.4% drop for retirees. This loss far exceeded the estimated decline of 2% expected from rate increases implemented effective January 2018. This drop in enrollment resulted in lower City, Retirement, and participant contributions. Given this drop in revenues along with higher than anticipated expenditures, a shortfall was projected in this fund for 2017-2018. To offset this projected shortfall, a \$1.65 million transfer from the General Fund was budgeted. With this additional funding, the Self Insured Medical Fund ended the year in a positive position.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**SELF-INSURED MEDICAL FUND**

**Expenditures** totaled \$13.5 million and consisted primarily of Payment of Claims (\$12.3 million), Stop Loss Premium (\$824,000), Provider Administration Fee (\$285,000), and Personal and Non-Personal Services (\$77,000). This expenditure level was \$564,000 (4.0%) below the modified budget. Most of the savings were realized in the Payment of Claims appropriation that ended the year \$435,000 below the modified budget. However, a year-end increase to this appropriation of \$936,000 was approved to ensure the Payment of Claims remained within budget.

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Annual Report Rebudget Adjustments</i>	<i>Revised Variance</i>	<i>Revised Variance % (incl. Rebudget Adjustment)</i>
\$14,085	\$43	\$472	\$429	\$0	\$429	3.0%

The **Ending Fund Balance** of \$472,000 was \$429,000 above the estimate used in the development of the 2018-2019 Adopted Budget. The positive variance was primarily a result of lower than anticipated Payment of Claims expenditures. The additional fund balance better positions the fund for 2018-2019.

The 2018-2019 Adopted Budget includes a \$3.0 million transfer from the General Fund to the Self-Insured Medical Fund to offset the projected imbalance between revenues and expenditures within this Fund. This transfer provides the resources to sustain the fund while the Administration evaluates potential alternatives to this fund, all of which would require stakeholder involvement to assess cost, timeliness, impact to employees and retirees, and any associated risk. No recommended adjustments are included in this report.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**WATER UTILITY CAPITAL FUNDS**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$4,638	\$5,229	\$591	12.7%
Expenditures	\$9,481	\$6,233	(\$3,248)	(34.3%)

The Water Utility Capital Funds include the Water Utility Capital Fund and the Major Facilities Fund.

**Revenues** totaled \$5.2 million and were generated from a Transfer from the Water Utility Fund (\$4.4 million), fees paid by developers (\$550,000), and interest income (\$228,000). The fees consist of Major Facilities Fees (\$303,000), Meter Installation Fees (\$105,000), Advanced System Design Fees (\$86,000), and Service Connection Fees (\$56,000). This revenue level was \$591,000 (12.7%) above the modified budget due to the receipt of Major Facilities Fees (\$303,000), as these fees are not assumed due to the highly volatile nature of this revenue stream, meter connection and design fees (\$172,000), and interest income (\$116,000). Revenues were \$169,000 (3.1%) below the prior year level of \$5.4 million, due primarily to a lack of Commercial Paper proceeds (\$1.2 million), partially offset by strong fee-related revenue (\$550,000) and a higher transfer from the Water Utility Fund for capital projects (\$450,000).

**Expenditures** totaled \$6.2 million and were for several capital projects, the largest of which were the Gumdrop Drive Main Replacement (\$1.6 million), System Maintenance/Repairs (\$819,000), Infrastructure Improvements (\$783,000), North San José Water Well Evaluation and Rehabilitation (\$670,000), the repayment of Commercial Paper (\$588,000), and Service Installations (\$307,000). This expenditure level was \$3.2 million (34.3%) below the modified budget and \$3.9 million (38.4%) below the prior year level of \$10.1 million.

Expenditures were below the budget by \$3.2 million (34.3%) as a result of project savings and unexpended project funds across a number of projects. Several of these projects are recommended to be rebudgeted to 2018-2019 in this report as a result of project delays or were rebudgeted in the 2018-2019 Adopted Budget, which included: Safety and Security Improvements (\$195,000), Public Art (\$115,000), North San José Water Well Evaluation and Rehabilitation (\$85,000), Gumdrop Drive Main Replacement (\$70,000), and Fowler Pump Station Replacement (\$45,000). Expenditures were below the prior year primarily due to lower expenses for Cadwallader Reservoir Rehabilitation (\$1.4 million), Infrastructure Replacement (\$969,000), and Edenvale Reservoir Rehabilitation (\$845,000); the completion of the Meter Replacements project in 2016-2017, which had expenditures of \$1.6 million; partially offset by the commencement of the Gumdrop Drive Main Replacement in 2017-2018 (\$1.6 million).

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**WATER UTILITY CAPITAL FUNDS**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Rebudget Adjustments</i>	<i>Revised Variance (incl. Rebudget Adjustments)</i>	<i>Revised Variance As % of Modified Budget</i>
\$16,232	\$11,418	\$11,944	\$526	(\$818)	(\$292)	(1.8%)

The **Ending Fund Balance** of \$11.9 million was \$526,000 above the estimate used in the development of the 2018-2019 Adopted Budget. After accounting for rebudget adjustments of \$818,000 recommended in the Annual Report, the fund balance ends the year below the estimate by \$292,000. The fund balance fell below the estimate because, when the 2018-2019 Adopted Budget was developed, it was assumed that \$700,000 from the Gumdrop Drive Main Replacement project would be reallocated for other purposes. However, that funding was required for the project’s completion and was encumbered in 2017-2018. This negative impact was partially offset by the receipt of Major Facilities Fees of \$303,000, which is unbudgeted due to this revenue category’s highly volatile nature.

After accounting for all recommended adjustments, approximately \$352,000 is recommended to be allocated to the Major Facilities Fund 2018-2019 Ending Fund Balance for future use and \$644,000 will be reallocated from the Water Utility Capital Fund 2018-2019 Ending Fund Balance to projects currently in process.

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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**

**WATER UTILITY OPERATING FUND**

<b>Revenue and Expenditure Performance (\$ in Thousands)</b>				
	<i>2017-2018 Budget</i>	<i>2017-2018 Actuals</i>	<i>Variance</i>	<i>% Variance</i>
Revenues	\$47,471	\$48,300	\$829	1.8%
Expenditures	\$48,394	\$47,669	(\$725)	(1.5%)

**Revenues** totaled \$48.3 million and were generated from potable (\$42.3 million) and recycled water (\$5.4 million) sales, late fees (\$342,000), miscellaneous revenues (\$176,000), and interest earnings (\$130,000). This revenue level was \$829,000 (1.8%) above the modified budget and \$3.6 million (8.0%) above the prior year level of \$44.7 million.

Revenues ended the year above the budget primarily due to higher than anticipated potable water sales (\$1.2 million), partially offset by lower than anticipated recycled water sales (\$568,000). The positive variance to the prior year was due primarily to higher potable water sales (\$3.6 million), which was a result of updated retail rates that led to an overall 9.0% rate adjustment, combined with higher customer consumption, as well as higher recycled water sales (\$215,000), partially offset by lower late fees revenue (\$211,000).

**Expenditures** totaled \$47.7 million and were primarily for Environmental Services Department (ESD) non-personal/equipment costs (\$32.7 million, of which \$25.5 million was attributed to the purchase of wholesale potable water and \$3.9 million to wholesale recycled water), a Transfer to the Water Utility Capital Fund (\$4.5 million), and ESD personal services costs (\$6.5 million). This expenditure level was \$725,000 (1.5%) below the modified budget, but \$4.4 million (10.2%) above the prior year level of \$43.3 million.

The negative variance to the budget was mainly due to lower expenditures for customer information system (\$283,000), personal services in ESD (\$186,000), and non-personal/equipment in the Information Technology Department (\$100,000). Expenditures were above the prior year due primarily to higher non-personal/equipment (\$3.3 million) and personal services (\$827,000) expenditures in ESD, as well as a higher transfer to the Water Utility Capital Fund (\$474,000), partially offset by a decreased transfer to the General Fund for late fee revenues (\$302,000).



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**PERFORMANCE OF SELECTED SPECIAL AND CAPITAL FUNDS**  
**WATER UTILITY OPERATING FUND**

<b>Ending Fund Balance Performance (\$ in Thousands)</b>						
<i>2017-2018 Modified Budget</i>	<i>2017-2018 Estimated Ending Fund Balance</i>	<i>2017-2018 Actual Ending Fund Balance</i>	<i>Variance</i>	<i>Recommended Rebudget Adjustments</i>	<i>Revised Variance (incl. Rebudget Adjustments)</i>	<i>Revised Variance As % of Modified Budget</i>
\$60,977	\$13,473	\$14,559	\$1,086	\$0	\$1,086	1.8%

The **Ending Fund Balance** of \$14.6 million was \$1.1 million above the estimate used in the development of the 2018-2019 Adopted Budget. The 2017-2018 ending fund balance was higher than the estimate primarily due to higher than estimated revenues from potable water sales (\$1.0 million) and late fees (\$92,000), as well as lower than estimated expenditures for the customer information system (\$62,000) and ESD personal services (\$42,000), partially offset by higher than estimated ESD non-personal/equipment costs (\$230,000).

The 2017-2018 Annual Report includes budget actions to transfer the additional late fees (\$92,000) received in 2017-2018 over the budgeted estimate to the General Fund. After this adjustment, the 2017-2018 Unrestricted Ending Fund Balance will be increased by approximately \$1.0 million

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**IV. RECOMMENDED BUDGET  
ADJUSTMENTS AND  
CLEAN-UP/REBUDGET ACTIONS**



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**IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS**

**RECOMMENDED BUDGET ADJUSTMENTS**

This section of the Annual Report describes recommended budget adjustments and is broken down by General Fund and Special/Capital Funds. The following types of changes are included:

**General Fund**

**Required Technical/Rebalancing Actions** – These actions recommend adjustments to align already approved revenue estimates and expenditure budgets with the most current tracking information, reallocate funding for ongoing appropriations based on updated needs, correct technical problems in the 2018-2019 Adopted Budget, or comply with actions previously authorized by the City Council.

**Grants/Reimbursements/Fees** – These actions, which generally impact, recognize new or adjusted grant, reimbursement, or fee activity revenue and adjust the appropriations for these purposes, as appropriate.

**Urgent Fiscal/Program Needs** – These actions recommend additional funding to address a very limited number of urgent fiscal/program needs. These adjustments are being brought forward for City Council consideration as part of this report, rather than later through the annual budget process, to comply with actions recently authorized by the City Council or because the Administration has deemed the need can or should not wait until later in the year. In the 2017-2018 Annual Report, there is one Urgent Fiscal/Program Need identified, the Active Shooter Training for the Fire Department.

**Special/Capital Funds**

**Special/Capital Fund Adjustments** – These actions adjust revenue estimates based on recent collection information; recognize revenues from new or adjusted grants, reimbursements, and fees; reflect changes in project and program allocations based on revised cost estimates and project timing; reallocate project funding from reserves; and/or establish a limited number of new projects and programs.

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**IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS**

**CLEAN-UP/REBUDGET ACTIONS**

This section of the Annual Report consists of clean-up and rebudget actions for the General Fund and Special/Capital Funds. The following types of adjustments are included:

**General Fund & Special/Capital Funds**

**Fund Balance Reconciliations** – These actions revise the Beginning Fund Balance estimates in the 2018-2019 budget for all funds where the actual (unaudited) 2017-2018 Ending Fund Balance contained in the Comprehensive Annual Financial Report (CAFR) statements differ from the budgeted amount.

**Development Fee Program Reconciliations** – These actions adjust appropriations based on actual Development Fee Program expenditures and revenue receipts. Year-end reconciliations of the revenues and expenditures in the Development Fee Programs are conducted to determine if revenues exceeded or fell below costs. To ensure that all development fees will be used solely to support development fee activities, any excess revenues and interest earnings above actual costs are placed in the Development Fee Program Reserves.

**Rebudgets** – These actions revise various appropriations to rebudget funds to complete prior year projects. Downward adjustments to previously approved rebudget actions are included if actual year-end revenues or expenditures were higher than anticipated, while upward adjustments are included if actual year-end revenues or expenditures were lower than anticipated.

**Technical Adjustments** – These actions align revenues and/or expenditures among appropriations, funds, and/or categories for previously approved budget actions or reconcile revenues with expenditures to close out the previous fiscal year. Summaries of each of these adjustments are provided below:

- **Net-Zero Funding Transfers/Reallocations** – These actions include net-zero transfers between appropriations, funds, and revenue categories and the redistribution of funding allocations.
  - **Mayor and City Council Office Transition Year Funding** – Per Section 20 (Office of the Mayor and City Council District Office Budgets in Transition Years) of City Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, two separate budget allocations were established in the 2018-2019 Adopted Budget for the Mayor and Council Offices for Districts 5, 7, and 9. If there is no change in the office holder, the appropriations are to be combined for the continuity of operations. Actions are recommended to combine the appropriations for the Mayor and Council District 5. Any additional actions will be brought forward as part of the 2018-2019 Mid-Year Budget Review.
  - **Portable Emergency Mass Warning** – These technical adjustments reallocate the remaining funds for the Portable Emergency Mass Warning System from the Fire Department to the Office of Emergency Management in the City Manager’s Office.

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**IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS**

**CLEAN-UP/REBUDGET ACTIONS**

**General Fund & Special/Capital Funds**

- **Gift Trust Fund Reconciliation** – These technical actions allocate the actual revenues received in 2017-2018 that were not incorporated into the 2018-2019 Adopted Budget for existing gifts, as well as rebudget gifts that were anticipated to be spent in 2017-2018, but had funds remaining. The Gift Trust Fund accounts for revenues and expenditures related to gifts, donations, and bequests to the City, and funds deposited may be only be used for the specified gifts as indicated.
- **Interest Earnings** – These technical adjustments increase transfers to the General Fund from various Capital Funds. By practice, all interest earnings accrued in the various Construction and Conveyance Tax Funds are transferred to the General Fund, and these recommended adjustments reflect a reconciliation of the actual interest earnings in each of the funds.
- **Overhead Rate** – These actions adjust Overhead appropriations across a variety of funds resulting in a net reduction of \$2.1 million to the General Fund revenue estimate to recognize the impact of a recalculation of the overhead rate applied to various Special and Capital Funds. Administrative costs associated with city-wide operations, which cannot be attributed to any specific department – such as work performed by the Finance and Human Resources Departments – are subject to a city-wide overhead cost allocation plan to distribute these costs on an equitable basis to departments and funds that are beneficiaries of such expenses. Though the existing methodology meets industry standards, these actions reflect recent refinement to the allocation basis for certain costs, which results in a net reduction in revenue to the General Fund and corresponding adjustments to Overhead appropriations within various Special and Capital Funds.
- **Restricted Revenue/Expenditure Reconciliations** – These actions adjust appropriations to align budgeted revenues and expenses with the actual performance of restricted revenues/expenditures. Reconciliations of these revenues and expenditures for these programs are conducted to determine if revenues exceeded or fell below costs. To meet the commitment to the restricted funding source, all related funds are used solely to support the respective programs.
  - **4<sup>th</sup> Street Garage Banquet Facility Maintenance and Operations** – This technical adjustment in the General Fund reconciles the 4<sup>th</sup> Street Garage Banquet Facility Maintenance and Operation appropriation based on actual banquet revenue received compared to the modified budget revenue estimate.
  - **Artificial Turf Capital Replacement Reserve** – Consistent with past practice, this technical adjustment sets aside field reservation revenues, less the cost to maintain and operate the artificial turf fields.

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**IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS**

**CLEAN-UP/REBUDGET ACTIONS**

**General Fund & Special/Capital Funds**

- **Certified Access Specialist Program (CASP)** – This technical adjustment in the General Fund increases the CASP appropriation based on actual revenue received compared to the modified budget revenue estimate from the surcharge on each new or renewed City-issued business license for activities and services associated with an expanded CASP program, as required by State Senate Bill 1186. Of the total fees collected, 30% are transmitted to the State Division of Architect, and 70% remains with the City of San José. Of the 70% City portion, 95% of the funding provides for inspection services in the Planning, Building and Code Enforcement Department, and the remaining 5% funds administrative costs in the Finance Department for collections and reporting. This program increases compliance with Americans with Disabilities Act improvements and develops educational resources for business to facilitate compliance with federal and State disability laws.
- **Contractual Street Tree Planting** - Funding for the Contractual Street Tree Planting program is generated through developer fees that are paid in advance for the pruning of new trees at 3 to 5 years of age, and again at 7 to 10 years of age. Fee funding is reconciled to ensure availability when the trees are scheduled for pruning.
- **General Plan Update Reserve** – This technical adjustment reflects a reconciliation of actual annual General Plan Update fee revenues received in the General Fund compared to the modified budget revenue estimate. The additional revenue over the budgeted estimate is recommended to be placed in an earmarked reserve for future use.
- **Public, Education, and Government (PEG) Access** – These technical contractually required adjustments in the General Fund reflect a reconciliation of actual revenue received from the City’s cable provider and related interest earnings compared to expenditures.
- **Public, Education, and Government (PEG) – CreaTV** – This technical contractually required adjustments in the General Fund reflect a reconciliation of actual revenue received from the City’s cable provider and related interest earnings compared to expenditures.
- **Small Cell Permitting** – The City Council approved separate Funding and Reimbursement Agreements with Mobilitie and Verizon during its June 26, 2018 meeting, recognizing \$1.55 million in advanced permitting fees for projected staffing, consulting, and ancillary costs to process and streamline the permitting of small cell antennae on City-owned streetlight poles, and \$550,000 from initial installments of grant contributions (\$2.2 million) to the City-Wide appropriations for Broadband and Digital Inclusion Strategy and Digital Inclusion Program. Council also approved the addition of a total of five positions (1.0 Associate Construction Inspector, 2.0 Associate Engineer, and 2.0 Engineering Technician II) in the Public Works Department and 1.0 Geographic Information Systems Specialist in the Department of Transportation to provide the requisite staffing to address the expected increase in the scale of



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**IV. RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP/REBUDGET ACTIONS**

**CLEAN-UP/REBUDGET ACTIONS**

**General Fund & Special/Capital Funds**

small cell deployments. However, these position actions were inadvertently omitted from the final agenda for the June 26, 2018 meeting, necessitating reauthorization. Accordingly, the 2017-2018 Annual Report includes a series of technical adjustments to implement the actions brought forward to the City Council.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

	<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<b>Urgent Fiscal- Program Needs</b>	Active Shooter Training  This action increases the Fire Department's Personal Services appropriation by \$532,000 for Active Shooter Training for all sworn Fire personnel. AB 1598, filed in September 2014, amended the Health & Safety Code and the Penal Code relating to emergency response services to require the development of collaborative protocols and relationships between local and state fire first response entities, including law enforcement agencies, fire departments, and emergency medical service providers and agencies, so these entities will act effectively, and in concert, to address active shooter incidents. The recommended funding provides for the first of these trainings for the San Jose Fire Department. The cost will cover overtime for the 6.0 trainers to be trained and conduct the trainings (\$86,000) and 624 sworn staff (\$446,000) to have 8-hours of active shooter training. Given the other scheduled trainings in 2018-2019, this course cannot be absorbed within the existing training allocation as initially envisioned. A four-hour refresher course will also be necessary every 18 months which will be staggered across two years at an estimated cost of \$137,000 annually.	Fire Department	-	\$532,000	-
<b>Urgent Fiscal-Program Needs</b>			-	<b>\$532,000</b>	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Elections and Ballot Measures</p> <p>This action increases the Elections and Ballot Measures appropriation by \$470,000 (from \$2.2 million to \$2.7 million) to cover the cost of four city-wide measures in the November 2018 General Election. The 2018-2019 Adopted Budget included funding for two ballot measures in November 2018. The four ballot measures include: 1) Measure S: Construction Contract Procurement Modernization (modifies construction contract procurement and the City's bidding process); 2) Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond (issuance of General Obligation Bonds for the acquisition, construction, and completion of certain municipal improvements); 3) Measure U: 2018 Charter Amendments (related to Mayor and City Councilmember salaries and aligning the Charter with State law regarding competing measures in Municipal Elections); and 4) Measure V: Affordable Housing Bond (issuance of General Obligation Bonds for the acquisition, construction, and completion of affordable housing in the City of San José).</p>	City Clerk's Office	-	\$470,000	-
<p><b>Required Technical- Rebalancing Actions</b></p> <p>Building Development Fee Program - Personal Services (Funding Reallocation)</p> <p>This action decreases the Building Development Fee Program – Personal Services appropriation in the Office of Economic Development to correct the funding for two positions (a Senior Executive Analyst and an Executive Analyst) that administer the Small Business Ambassador program. The cost of these positions was inadvertently assigned to the Building Development Fee Program in the 2018-2019 Adopted Budget. Corresponding actions to add funding for these positions in the Office of Economic Development and to increase the Building Development Fee Program Reserve to reflect the elimination of these position costs from the fee program are also recommended as described elsewhere in this report.</p>	City Manager - Office of Economic Development	-	(\$361,832)	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Personal Services (Funding Reallocation)</p> <p>This action increases the Office of Economic Development's Personal Services appropriation to correct the funding for two positions (a Senior Executive Analyst and an Executive Analyst) that administer the Small Business Ambassador program. These positions were inadvertently included in the costs of the Building Development Fee Program. Corresponding actions are recommended to eliminate funding from the Building Development Fee Program and add funding to the Development Fee Program Reserve as described elsewhere in this report.</p>	<p>City Manager - Office of Economic Development</p>	-	\$361,832	-
<p>Personal Services (Reallocate 1.0 Executive Analyst from City Manager's Office)</p> <p>This action increases the City Manager's Office of Economic Development Personal Services appropriation by \$150,000 and adds 1.0 limit-dated Executive Analyst position reallocated from the City Manager's Office. The funding and position were added as part of the 2018-2019 Adopted budget as directed in the Mayor's June Budget Message as a Housing Catalyst to spur housing development. While this position was originally allocated to the City Manager's Office, it is better aligned with the Office of Economic Development. A corresponding decrease to the City Manager's Office Personal Services appropriation and the elimination of the position are recommended elsewhere in this document for a net-zero impact to the General Fund.</p>	<p>City Manager - Office of Economic Development</p>	1.00	\$150,000	-
<p>Sales Tax</p> <p>This action increases the General Sales Tax estimate by \$5.0 million in 2018-2019 (from \$184.3 million to \$189.3 million). The California Department of Tax and Fee Administration (CDTFA) implemented a new automated system in May 2018 which has resulted in 3rd quarter and 4th quarter Sales Tax receipts for 2017-2018 not being fully disbursed to jurisdictions during the quarter in which the tax revenue was received. The CDTFA is processing the outstanding payments, and based on information from the City's Sales Tax consultant, it is anticipated that the CDTFA will include the missed payments in the 1st or 2nd quarter 2018-2019 disbursements. This action increases the 2018-2019 Sales Tax budget to conservatively account for the underpayment in 2017-2018.</p>	<p>City Manager's Office</p>	-	-	\$5,000,000

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Overhead Rate Adjustments)	City Manager's Office	-	-	(\$2,093,847)

This action decreases the revenue estimate for Transfers and Reimbursements by \$2.1 million to recognize the impact of a recalculation of the overhead rate applied to various Special and Capital Funds. Administrative costs associated with city-wide operations, which cannot be attributed to any specific department – such as work performed by the Finance and Human Resources Departments – are subject to a city-wide overhead cost allocation plan to distribute these costs on an equitable basis to departments and funds that are beneficiaries of such expenses. Though the existing methodology meets industry standards, this action reflects recent refinement to the allocation basis for certain costs, which results in reduced revenue to the General Fund and corresponding reductions to Overhead appropriations within various Special and Capital Funds as recommended elsewhere in this report.

Personal Services (Climate Smart)

Environmental Services Department

- \$50,000 -

This action increases the Environmental Services Department's (ESD) Personal Services appropriation by \$50,000 to correct the 2018-2019 funding allocation of 0.3 FTEs working within the scope of Climate Smart San José, a City Council-approved plan for reducing greenhouse gas emissions related to energy, mobility (transportation and land use), and ensuring a long-term water supply. This funding will be used to assist in the advancement of partnerships with other agencies and pursuit of grants to promote energy efficiency, building electrification, and clean, renewable energy in the community. This action is offset by corresponding reductions to the San José Environmental Sustainability Program Reserve in the General Fund and the ESD Personal Services appropriation in the San José-Santa Clara Treatment Plant Operating Fund described elsewhere in this report.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>San José Environmental Sustainability Program Reserve</p> <p>This action decreases the San José Environmental Sustainability Program Reserve appropriation by \$50,000 to fund 0.3 FTEs working within the scope of Climate Smart San José a City Council-approved plan for reducing greenhouse gas emissions related to energy mobility (transportation and land use) and ensuring a long-term water supply. This plan is intended to assist in the advancement of partnerships with other agencies and pursuit of grants to promote energy efficiency building electrification and clean renewable energy in the community. This action offsets an increase to the Environmental Services Department Personal Services appropriation in the General Fund described elsewhere in this report.</p>	Environmental Services Department	-	(\$50,000)	-
<p>Transfers and Reimbursements (Late Fees from Water Utility Fund)</p> <p>This action increases the revenue estimate for Transfers and Reimbursements by \$91,770 to reflect additional Late Fee revenue received in 2017-2018 in the Water Utility Fund. Late Fee revenues in the Water Utility Fund are an unrestricted source of income for the City and are therefore transferred each year to the General Fund. A corresponding increase to the Transfer to the General Fund - Late Fees in the Water Utility Operating Fund is recommended elsewhere in this report.</p>	Environmental Services Department	-	-	\$91,770
<p>Non-Personal/Equipment (City Matching Funds for Fire Prevention and Safety Grant - FEMA)</p> <p>This action increases the Fire Department's Non-Personal/Equipment appropriation by \$3,667 to provide matching funds for a grant from the U.S. Department of Homeland Security (\$73,354). Funds will provide for smoke alarm installation and home safety inspections for high risk mobile home communities. Corresponding actions to recognize and appropriate these grant funds are included elsewhere in this report.</p>	Fire Department	-	\$3,667	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Workers' Compensation Claims System</p> <p>This action establishes the Workers' Compensation Claims System appropriation to the Human Resources Department in the amount of \$145,000. The City Council approved a completely outsourced workers' compensation model on June 19, 2018. At the time, the budget for 2018-2019 did not include funding to maintain the current workers' compensation claims system (Navarisk) beyond the transition. An appropriation of \$145,000 is required to provide funding for the Navarisk contract through 2018-2019. City staff are examining the City's options for termination of the Navarisk contract.</p>	Human Resources Department	-	\$145,000	-
<p>Non-Personal/Equipment (Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure)</p> <p>This action increases the Information Technology Department's Non-Personal/Equipment appropriation by \$504,000 to account for higher than anticipated project bids and the inclusion of Software Defined Networking (SDN) for the Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure Project. This project replaces the Information Technology Department's central aging computers, storage, and virtualization equipment with converged or hyper-converged infrastructure technologies to support departmental needs for growth, business resumption, and reliability.</p>	Information Technology Department	-	\$504,000	-
<p>Budget Stabilization Reserve</p> <p>This action increases the Budget Stabilization Reserve by \$700,000, from \$16.3 million to \$17.0 million. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be rebalanced within existing budget resources in any given year. This allocation reflects the distribution of a portion of the available 2017-2018 Ending Fund Balance per City Council Policy I-18, Operating Budget and Capital Improvement Program Policy.</p>	Office of the City Manager	-	\$700,000	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Contingency Reserve	Office of the City Manager	-	\$500,000	-
<p>Per City Council Policy I-18, Operating Budget and Capital Improvement Program Policy, the General Fund Contingency Reserve is to be set at a minimum of 3% of the operating budget. This action increases the Contingency Reserve by \$500,000, from \$36.5 million to \$37.0 million, to ensure compliance with the 3% funding requirement for the 2018-2019 Budget. The purpose of this reserve is to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means.</p>				
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	Office of the City Manager	-	\$273,291	-

This action increases the Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel) appropriation by \$273,291. Per Federal Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located on Airport properties must be returned to the Airport Department. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this time frame, the City's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax, effective October 2016, must follow the FAA policy. As part of the 2017-2018 Year-End Clean-up actions, approved on June 19, 2018, the City Council approved the transfer of \$220,000 from the General Fund to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from December 2017 through June 2018. At that time, the Budget Office believed the implementation date of the FAA Policy was December 2017. However, this policy applies to the Local Sales Tax since its inception in October 2016. This transaction transfers funding of \$273,291 from the General Fund to the Airport Revenue Fund to account for actual Local Sales Tax revenue generated from jet fuel sales from October 2016 through June 2018 that had not yet been reimbursed.



## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Reallocation from Personal Services for Census 2020)	Office of the City Manager	-	\$140,000	-

This action increases the City Manager's Non-Personal/Equipment appropriation by \$140,000 to reallocate funds from its Personal Services appropriation to support the Census 2020 Program. As directed in the Mayor's June Budget Message for 2018-2019, the 2018-2019 Adopted Budget increased the Personal Services appropriation by \$250,000 to support the Census 2020 project. A portion of these funds is recommended to be reallocated to support contractual services and other required non-personal/equipment costs for the project. Remaining Personal Services funds will support a temporary Senior Executive Analyst to provide leadership and direction for the project. A corresponding action to decrease the City Manager's Personal Services appropriation is recommended elsewhere in this report for a net-zero impact to the General Fund.

Non-Personal/Equipment (Reallocation to Personal Services for Temporary Staffing)	Office of the City Manager	-	(\$153,000)	-
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This action decreases the City Manager's Non-Personal/Equipment appropriation by \$153,000 to reallocate funds to the Personal Services appropriation to support a temporary Senior Executive Analyst in the Office of Immigrant Affairs (OIA). This position will assist in developing and delivering outreach and trainings, coordinate with Santa Clara County to ensure alignment of strategies, coordinate with departments, non-profits and legal services, and support other programs and services. Funding for this work is budgeted in the Office of Immigrant Affairs' Non-Personal/Equipment appropriation and is recommended to be shifted to Personal Services to support the temporary staffing. A corresponding increase to the City Manager's Personal Services appropriation is recommended elsewhere in this report for a net-zero impact to the General Fund.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Reallocate 1.0 Executive Analyst to Office of Economic Development)	Office of the City Manager	-1.00	(\$150,000)	-

This action decreases the City Manager's Personal Services appropriation by \$150,000 and eliminates 1.0 limit-dated Executive Analyst position that was added to the City Manager's Office in the 2018-2019 Adopted Budget as the Housing Catalyst position. This position, however, is better aligned with the Office of Economic Development, and corresponding actions are recommended elsewhere in this report to add the position and associated funding to that Office with a net-zero impact to the General Fund.

Personal Services (Reallocation from Non-Personal/Equipment for Temporary Staffing)	Office of the City Manager	-	\$153,000	-
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This action increases the City Manager's Personal Services appropriation by \$153,000 to reallocate funds from its Non-Personal/Equipment appropriation to support a temporary Senior Executive Analyst in the Office of Immigrant Affairs (OIA). This position will assist in developing and delivering outreach and trainings, coordinate with Santa Clara County to ensure alignment of strategies, coordinate with departments, non-profits and legal services, and support other programs and services. Funding for this work is budgeted in the OIA Non-Personal/Equipment appropriation and is recommended to be shifted to Personal Services. A corresponding decrease to the City Manager's Non-Personal/Equipment appropriation is recommended elsewhere in this report for a net-zero impact to the General Fund.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Reallocation to Non-Personal/Equipment for Census 2020)	Office of the City Manager	-	(\$140,000)	-

This action decreases the City Manager's Personal Services appropriation by \$140,000 to reallocate funds to the Non-Personal/Equipment appropriation to support the Census 2020 Program. As directed in the Mayor's June Budget Message for 2018-2019, the 2018-2019 Adopted Budget increased the Personal Services appropriation by \$250,000 to support the Census 2020 project. A portion of these funds is recommended to be reallocated to support contractual services and other required costs for the project. Remaining funds from this allocation will support a temporary Senior Executive Analyst to provide leadership and direction for the project. A corresponding action to increase the City Manager's Non-Personal/Equipment appropriation is recommended elsewhere in this report for a net-zero impact to the General Fund.

BeautifySJ Litter Pilot	Parks, Recreation and Neighborhood Services Department	-	\$200,000	-
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This action establishes the BeautifySJ Litter Pilot appropriation in the amount of \$200,000. The City Administration was directed in the Mayor's March Budget Message for Fiscal Year 2018-2019 to examine the performance of the BeautifySJ landscape efforts and return with a recommendation for continuing or expanding the program in 2019-2020. As part of the pilot, the Administration has identified a clear gap in the frequency of litter pick up in high trash load areas and recommends a creative and cost effective approach to test enhanced litter pick up through transitional employment agencies, such as Downtown Streets Team and the Goodwill. The \$200,000 allocation would be used to fill the gap in the frequency of litter pick up, and test the effectiveness of transitional employment services in providing the service at a more manageable cost. The effectiveness of this pilot program will be evaluated as part of the overall direction to examine performance of the BeautifySJ landscape efforts as part of the 2019-2020 budget process.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Personal Services (St. James Placemaking - reallocation of funding to St. James Park Management District Fund)</p> <p>This action decreases the Personal Services appropriation to the Parks, Recreation and Neighborhood Services Department by \$12,165 (from \$44,171,912 to \$44,159,747) to reflect the costs of a part-time position that was inadvertently funded in the General Fund. The correct funding source for this position is the St. James Park Management District Fund and a corresponding action is recommended in that fund.</p>	Parks, Recreation and Neighborhood Services Department	-	(\$12,165)	-
<p>Vietnamese-American Community Center Planning and Fundraising</p> <p>This action increases the Vietnamese-American Community Center Planning and Fundraising appropriation in the Parks and Community Facilities Development Capital Program by \$16,000 to reflect funding received in 2017-2018 from the San José Parks Foundation. The San José Parks Foundation returned unexpended funds to the City for a recruitment process which did not result in an employee selection for a position dedicated to fundraising for the Vietnamese-American Community Center.</p>	Parks, Recreation and Neighborhood Services Department	-	\$16,000	-
<p>Building Development Fee Program Reserve</p> <p>This action increases the Building Development Fee Program Reserve to reflect the savings from two positions that will no longer be funded by the Building Development Fee Program. The positions (a Senior Executive Analyst and an Executive Analyst) that administer the Small Business Ambassador program were inadvertently included in the costs of the Building Development Fee Program in the 2018-2019 Adopted Budget. These positions, however, should have been funded in the General Fund (non-fee supported). Corresponding actions are recommended to decrease the Personal Services - Building Development Fee Program and increase the Personal Services (non-fee supported) elsewhere in this report.</p>	Planning, Building and Code Enforcement Department	-	\$597,980	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)</p> <p>This action increases the Planning Building and Code Enforcement Department's Non-Personal/Equipment appropriation to provide for contractual temporary staffing services to backfill vacant Code Enforcement Inspector positions in the Multiple Housing Code Enforcement program. The funds would provide for an additional peak staffing Code Enforcement Inspector to help with the backlog of inspection work in the Multiple Housing Code Enforcement program as a result of the vacancies as well as ensure timely resolution of current cases. The Department is continuing its efforts to hire full-time employees into the Code Enforcement Inspector vacancies.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	\$60,160	-
<p>Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)</p> <p>This action decreases the Planning Building and Code Enforcement Department's Personal Services appropriation to provide for contractual temporary staffing services to backfill vacant Code Enforcement Inspector positions in the Multiple Housing Code Enforcement program. The funds would provide for an additional peak staffing Code Enforcement Inspector to help with the backlog of inspection work resulting from vacancies in the Multiple Housing Code Enforcement program as well as ensure timely resolution of current cases. The Department is continuing its efforts to hire full-time employees into the Code Enforcement Inspector vacancies.</p>	<p>Planning, Building and Code Enforcement Department</p>	-	(\$60,160)	-

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Overtime)	Police Department	-	\$4,000,000	-

This action increases the Police Department Personal Services appropriation by \$4,000,000 to address higher projected overtime costs. The Police Department has worked diligently to fill vacancies in both sworn and civilian positions. In 2017-2018, 176 positions were filled and placed in three Recruit Academies. Vacancy savings have been used to backfill positions on overtime in Patrol in recent years. However, as the Department has filled vacancies these savings have decreased. While the goal is to fill the vacancies with street ready officers and eliminate the need to backfill positions, new recruits are in academy training and field training for 10-12 months and are not available to respond to calls for service. Because overtime has been used to staff Patrol while the officers are in training, without the associated vacancy savings, Personal Services are projected to exceed the budget given the large number of recruits still in training in 2018-2019. By the end of 2018-2019, there is expected to be more street ready officers to fill positions, which should reduce the amount of overtime needed to backfill for recruits in academies. The overtime budget will be evaluated in the development of the 2019-2020 Budget.

Urban Areas Security Initiative Grant – Police 2017	Police Department	-	(\$105,000)	-
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This action decreases the Urban Areas Security Initiative Grant – Police 2017 appropriation to the Police Department by \$105,000, from \$420,534 to \$315,534. The grant was inadvertently appropriated twice in the 2018-2019 Adopted Budget, and this action corrects the budget.

City Hall HVAC Control System Replacement	Public Works Department	-	\$1,200,000	-
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This action increases the City Hall HVAC Control System Replacement appropriation by \$1.2 million, increasing the project budget from \$7.8 million to \$9.0 million. This adjustment reflects a revised cost estimate based on the latest engineer's estimate, including soft costs and project contingency. The replacement parts for the current HVAC system are no longer manufactured, leaving the equipment at risk for failure.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
City Hall Network Operations Center Electrical Switch Replacement	Public Works Department	-	\$3,000,000	-
<p>This action increases the City Hall Network Operations Control Center Switchboard Replacement appropriation by \$3.0 million, increasing the project budget from \$2.0 million to \$5.0 million. This action will fund the final phase of this project, which includes the purchase and installation of equipment to transition the existing system to the Uninterrupted Power Supply. Currently, any maintenance to the sole UPS system would take it offline, leaving the Network Operations Center (NOC) reliant on Pacific Gas and Electric power only. Should there be a power loss during that time, the emergency generator would not restore power for a period of seven seconds, which would crash the servers. The sole switchboard serving the NOC is served by one breaker, which cannot be maintained without shutting down the entire NOC. As such, this breaker has never been maintained since City Hall opened. This allocation reflects the distribution of a portion of the available 2017-2018 Ending Fund Balance per City Council Policy I-18, Operating Budget and Capital Improvement Program Policy.</p>				
Pavement Maintenance Program	Transportation Department	-	\$1,325,000	-
<p>This action increases the Pavement Maintenance Program by \$1,325,000. This project provides funding to pave and repair streets throughout the City. This allocation reflects the distribution of a portion of the available 2017-2018 Ending Fund Balance per Council Policy I-18, Operating Budget and Capital Improvement Program Policy.</p>				
<b>Required Technical-Rebalancing Actions</b>		<b>-</b>	<b>\$12,817,773</b>	<b>\$2,997,923</b>

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>After School Education and Safety Program for 2018-2019/Revenue from Local Agencies</p> <p>This action establishes an After School Education and Safety Programs for 2018-2019 appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from Local Agencies in the amount of \$431,064. This grant funding will support after school education and safety programs by providing supplies and materials for the after school programming and staff time at the Berryessa Union School District (\$106,257), Alum Rock Union Elementary School District (\$103,171), ACE Charter School Empower Academy (\$100,402), and ACE Charter School Franklin McKinley (\$121,234) for the 2018-2019 school year. After School Education and Safety Program supports local after school education and enrichment programs by providing literacy, academic enrichment, and constructive alternatives for students in kindergarten through ninth grade.</p>	Parks, Recreation and Neighborhood Services Department	-	\$431,064	\$431,064
<b>Grants-Reimbursements-Fees</b>				
<p>Council District #01/Other Revenue (Special Event Sponsorship)</p> <p>This action increases the Council District #01 appropriation and the corresponding estimate for Other Revenue by \$2,640 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 1, including the 11th Annual Disability Awareness Month and the 2018 African American History Month Flag Raising event.</p>	Mayor & City Council	-	\$2,640	\$2,640
<p>Council District #02/Other Revenue (Special Event Sponsorship)</p> <p>This action increases the Council District #02 appropriation and the corresponding estimate for Other Revenue by \$9,900 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 2, including the 2018 Village Fest event.</p>	Mayor & City Council	-	\$9,900	\$9,900
<p>Council District #05/Other Revenue (Special Event Sponsorship)</p> <p>This action increases the Council District #05 appropriation and the corresponding estimate for Other Revenue by \$15,750 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 5, including the 2018 National Night Out event.</p>	Mayor & City Council	-	\$15,750	\$15,750



## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Council District #06/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$500	\$500
<p>This action increases the Council District #06 appropriation and the corresponding estimate for Other Revenue by \$500 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 6, including the 2018 San José Jazz Garden at Rose Garden event.</p>				
Council District #08/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$100	\$100
<p>This action increases the Council District #08 appropriation and the corresponding estimate for Other Revenue by \$100 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 8, including the 2018 Day in the Park event.</p>				
Council District #09/Other Revenue (Special Event Sponsorship)	Mayor & City Council	-	\$11,800	\$11,800
<p>This action increases the Council District #09 appropriation and the corresponding estimate for Other Revenue by \$11,800 to allocate revenue received from various businesses and individuals. This funding will support events co-sponsored by Council District 9, including the 2018 Celebrate Cambrian event.</p>				
Fee Activities/Other Revenue (Sponsorships)	Parks, Recreation and Neighborhood Services Department	-	\$12,000	\$12,000
<p>This action increases the Fee Activities appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Other Revenue in the amount of \$12,000. This sponsorship from the Citizens Equity First Credit Union (CEFCU) will support youth access to camps and programming.</p>				
Library Grants/Revenue from State of California	Library Department	-	\$18,000	\$18,000
<p>This action increases the Library Grants appropriation in the Library Department and the estimate for Revenue from State of California by \$18,000 to recognize receipt of the California Library Literacy Services grant. This funding will allow for the purchase of books, materials, and computer software as well as support the Adult Literacy and Families for Literacy program. This program helps adults increase their basic literacy skills and address the literacy needs of their young children.</p>				

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Revenue from Federal Government (Fire Prevention and Safety Grant - FEMA)	Fire Department	-	\$73,354	\$73,354

This action increases the Fire Department's Non-Personal/Equipment appropriation, and the corresponding estimate for Revenue from Federal Government, by \$73,354 to recognize grant funding from the U.S. Department of Homeland Security. Funds will provide for smoke alarm installation and home safety inspections for high-risk mobile home communities. A corresponding action to increase the Fire Department's Non-Personal/Equipment appropriation by \$3,667 to provide for the City's local match contribution is recommended elsewhere in this report.

Non-Personal/Equipment/Revenue from Federal Government (SHSGP Grant for Training)	Fire Department	-	\$11,400	\$11,400
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This action increases the Fire Department's Non-Personal/Equipment appropriation, and the corresponding estimate for Revenue from Federal Government, by \$11,400 to recognize grant funding from the State Homeland Security Grant Program (SHSGP) Training and Exercise Grants Advisory Group. This grant will provide training to prepare 25 of the Fire Department's San José Urban Search and Rescue sworn personnel to respond to, and coordinate the response to, major water rescue and flood incidents.

Non-Personal/Equipment/Revenue from Federal Government (SHSGP Grant for Water Rescue Related Equipment)	Fire Department	-	\$74,400	\$74,400
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This action increases the Fire Department's Non-Personal/Equipment appropriation, and the corresponding estimate for Revenue from Federal Government, by \$74,400 to recognize grant funding from the State Homeland Security Grant Program (SHSGP) Anti-Terrorism Approval Authority. This grant will provide for the acquisition of water rescue-related equipment, including two personal water craft (PWC), a trailer to transport the water crafts, lighting, and an Automatic Identification System (AIS) for tracking the location of the PWC and the rescuer(s).

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Office of the Mayor/Other Revenue (Harvard and Service Year Grants)	Mayor & City Council	-	\$95,000	\$95,000
<p>This action increases the Office of the Mayor appropriation and the corresponding estimate for Other Revenue by \$95,000 to allocate revenue received from grants. The two grants received were from Service Year Exchange (\$50,000) to partially support the cost of a Chief Service Officer position and from Harvard University (\$45,000) to partially support the cost of the Innovation Policy Advisor position.</p>				
Personal Services/Revenue from Federal Government (SHSGP Grant for BART Active Shooter Exercise)	Fire Department	-	\$3,111	\$3,111
<p>This action increases the Fire Department's Personal Services appropriation, and the corresponding estimate for Revenue from Federal Government, by \$3,111 to recognize grant funding from the State Homeland Security Grant Program (SHSGP) Anti-Terrorism Approval Authority. This grant will support staffing costs, including overtime, for nine participants to attend the BART Active Shooter Exercise.</p>				
Public Works Development Fee Program - Non-Personal/Equipment	Public Works Department	-	(\$87,500)	-
<p>In order to separately account for the Small Cell Permitting activity, this action decreases the Public Works Development Fee Program – Non-Personal/Equipment appropriation by \$87,500 to remove the Small Cell Program funding from this appropriation. This funding was added as part of the 2018-2019 Adopted Operating Budget for the purchase of inspector vehicles, supplies, and materials for the Broadband and Digital Inclusion Strategy staffing. A corresponding action to add this funding to a new Public Works Development Fee Program – Small Cell Permitting Non-Personal/Equipment appropriation is recommended elsewhere in this report.</p>				

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Public Works Development Fee Program - Personal Services	Public Works Department	-	(\$866,352)	-

In order to separately account for the Small Cell Permitting activity, this action decreases the Public Works Development Fee Program – Personal Services appropriation by \$866,352 to remove the Small Cell Program funding from this appropriation. Funding for seven positions was added as part of the 2018-2019 Adopted Operating Budget to support the City's Broadband and Digital Inclusion Strategy. This funding supports staffing costs for permitting, electrical, plan check, electrical inspection services, project inspection services, and program management. A corresponding action to add this funding to a new Public Works Development Fee Program – Small Cell Permitting Personal Services appropriation is recommended elsewhere in this report.

Public Works Development Fee Program - Small Cell Permitting Non-Personal/Equipment	Public Works Department	-	\$87,500	-
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In order to separately account for the Small Cell Permitting activity, this action establishes the Public Works Development Fee Program – Small Cell Permitting Non-Personal/Equipment appropriation in the amount of \$87,500. In the 2018-2019 Adopted Operating Budget, this funding was added in the Public Works Development Fee Program - Non-Personal/Equipment appropriation to fund the purchase of inspector vehicles, supplies, and materials for the Broadband and Digital Inclusion Strategy staffing. A corresponding decrease to the Public Works Development Fee Program – Non-Personal/Equipment appropriation is recommended elsewhere in this report.

## General Fund Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Public Works Development Fee Program - Small Cell Permitting Personal Services	Public Works Department	-	\$866,352	-

In order to separately account for the Small Cell Permitting activity, this action establishes the Public Works Development Fee Program – Small Cell Permitting Personal Services appropriation in the amount of \$866,352 to account for the cost of seven positions added in the 2018-2019 Adopted Budget to support the City's Broadband and Digital Inclusion Strategy. This funding supports staffing costs for permitting, electrical, plan check, electrical inspection services, project inspection services, and program management. A corresponding decrease to the Public Works Development Fee Program – Personal Services appropriation is recommended elsewhere in this report.

San José End of Watch Police Memorial/Other Revenue	Police Department	-	\$33,000	\$33,000
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This action increases the San José End of Watch Police Memorial City-Wide appropriation and the estimate for Other Revenue by \$33,000 to recognize and appropriate funding from the San José Police Officers' Association. The San José End of Watch Police Memorial memorializes San José Police Department officers who have made the ultimate sacrifice serving the residents of the San José.

Selective Traffic Enforcement Program 2018-2019/Revenue from Federal Government	Police Department	-	\$250,000	\$250,000
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This action establishes the Selective Traffic Enforcement Program 2018-2019 City-Wide appropriation to the Police Department and increases the estimate for Revenue from State of California to recognize grant funding from the State of California Office of Traffic Safety in the amount of \$250,000. This grant primarily funds Police Officer overtime to conduct targeted driving under the influence (DUI) checkpoints and patrols as well as conduct distracted driving, motorcycle safety, click it or ticket, and pedestrian/bicycle enforcement operations during the term of the grant (October 1, 2018 through September 30, 2019).

**General Fund Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
State Homeland Security Grant Program/Revenue from Federal Government	Police Department	-	\$115,296	\$115,296
<p>This action increases the State Homeland Security Grant Program City-Wide appropriation to the Police Department and the estimate for Revenue from Federal Government in the amount of \$115,296 to recognize additional grant funding from the Department of Homeland Security. This program addresses planning, organization, equipment, training, and exercise needs to prepare for acts of terrorism and other catastrophic events. The funds will be used for training requests submitted to and approved by the Training/Exercise Advisory Group.</p>				
Summer Youth Nutrition Program/Revenue from Federal Government	Parks, Recreation and Neighborhood Services Department	-	\$58,473	\$58,473
<p>This action increases the Summer Youth Nutrition Program City-Wide appropriation to the Parks, Recreation and Neighborhood Services Department and the corresponding estimate for Revenue from Federal Government by \$58,473 to reflect grant funding from the Summer Food Service Program. This program, administered by the California Department of Education Nutrition Services Division, provides lunches and snacks to qualifying youth during the summer at Bascom, Mayfair, Roosevelt, and Seven Trees Community Centers.</p>				
<b>Grants-Reimbursements-Fees</b>		-	<b>\$1,215,789</b>	<b>\$1,215,788</b>

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	Airport Department		\$273,291	\$273,291

This action increases the Transfer from the General Fund and increases the Airline Agreement Reserve appropriation by \$273,291. Per Federal Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located at Airport properties must be returned to the Airport Department. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this time frame, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax, effective October 2016, must follow the FAA policy. As part of the 2017-2018 Year-End Clean-Up Memorandum, approved on June 19, 2018, the City Council approved the transfer of \$220,000 from the General Fund to the Airport Revenue Fund for estimated Local Sales Tax revenue generated from jet fuel sales from December 2017 through June 2018. At that time, the Budget Office believed the implementation date of the FAA policy was December 2017. However, this policy applies to the Local Sales Tax since its inception in October 2016. This transaction transfers funding of \$273,291 from the General Fund to the Airport Revenue Fund to account for actual Local Sales Tax revenue generated from jet fuel sales from October 2016 through June 2018 that had not yet been reimbursed. A corresponding action in the General Fund is recommended to offset this action.

Airline Agreement Reserve (Commercial Paper Paydown)	Airport Department		(\$4,500,000)	
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This action decreases the Airline Agreement Reserve by \$4.5 million (from \$49,297,662 to \$44,797,662) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding adjustments in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Future Budgets/Capital Reserve (Interim Terminal Facility - Six Gates)	Airport Department		\$26,630,779	

This action establishes the Future Budgets/Capital Reserve in the amount of \$26.6 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. Therefore, this action restores the Airport's Future Budgets/Capital Reserve. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.



# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airline Agreement Reserve (Interim Terminal Facility - Six Gates)	Airport Department		\$31,369,221	

This action increases the Airline Agreement Reserve in the amount of \$31.4 million (from \$49,297,662 to \$80,666,883). As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. Therefore, this action restores the Airline Agreement Reserve. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Airport Surplus Revenue Fund (Interim Terminal Facility - Six Gates)	Airport Department		(\$58,000,000)	

This action decreases the Transfer to the Airport Surplus Revenue Fund by \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. This action reduces the transfer to the Airport Surplus Revenue Fund. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Transfer to the Airport Surplus Revenue Fund (Commercial Paper Paydown)	Airport Department		\$4,500,000	
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This action increases the Transfer to the Airport Surplus Revenue Fund by \$4.5 million (from \$80,439,783 to \$84,939,783) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

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<b>Airport Revenue Fund (521)</b>			<b>\$273,291</b>	<b>\$273,291</b>
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# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Airport Renewal and Replacement Fund/Transfers and Reimbursements (From the Airport Revenue Fund for Interim Terminal Facility - Six Gates)	Airport Department		(\$58,000,000)	(\$58,000,000)

This action decreases the Transfer from the Airport Revenue Fund (from \$80,439,783 to \$22,439,783) and corresponding Transfer to the Airport Renewal and Replacement Fund (from \$76,335,000 to \$18,335,000) by \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates. This action reduces the Transfer from the Airport Revenue Fund and the Transfer to the Airport Renewal and Replacement Fund. Corresponding adjustments in the Airport Revenue Fund, Airport Renewal and Replacement Fund, Airport Revenue Bond Improvement Fund, and this fund are recommended elsewhere in this report.

Transfers and Reimbursements (From the Airport Revenue Fund for Commercial Paper Paydown)	Airport Department			\$4,500,000
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This action increases the Transfer from the Airport Revenue Fund in the amount of \$4.5 million (from \$80,439,783 to \$84,939,783) to fund an additional payment on the Airport's Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Revenue Fund and in this fund are recommended elsewhere in this report.

## Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

### Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Commercial Paper Principal and Interest	Airport Department		\$4,500,000	

This action increases the Commercial Paper Principal and Interest appropriation in the amount of \$4.5 million (from \$3,104,783 to \$7,604,783) to fund an additional payment on the Airport's outstanding Commercial Paper debt in anticipation of the issuance of new Commercial Paper for the Interim Terminal Facility - Six Gates project. Corresponding actions in the Airport Revenue Fund and in this fund are recommended elsewhere in this report.

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<b>Airport Surplus Revenue Fund (524)</b>			<b>(\$53,500,000)</b>	<b>(\$53,500,000)</b>
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**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**City Hall Debt Service Fund (210)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Transfer to the Sewer Service and Use Charge Fund	Office of the City Manager		\$309,000	
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This action establishes a transfer to the Sewer Service and Use Charge Fund in the amount of \$309,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sewer Service and Use Charge Fund to the City Hall Debt Service Fund for that fund's share of the debt service related to the construction of City Hall was over-allocated by \$309,000. This recommended action reimburses the Sewer Service and Use Charge Fund to correct for this error and is offset by a reduction to the Ending Fund Balance.

Ending Fund Balance Adjustment	Office of the City Manager		(\$327,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

Transfer to the Sanitary Sewer Connection Fee Fund	Office of the City Manager		\$18,000	
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This action establishes a transfer to the Sanitary Sewer Connection Fee Fund in the amount of \$18,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sanitary Sewer Connection Fee Fund to the City Hall Debt Service Fund for that fund's share of the debt service related to the construction of City Hall was over-allocated by \$18,000. This recommended action reimburses the Sanitary Sewer Connection Fee Fund to correct for this error and is offset by a reduction to the Ending Fund Balance.

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**City Hall Debt Service Fund (210)**

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Program Development and Monitoring	Housing Department		\$133,857	

This action increases the Housing Program Development and Monitoring appropriation in the amount of \$133,857, from \$1.5 million to \$1.7 million, to support the development of the new Consolidated Action Plan. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Property Acquisition Reserve	Housing Department		\$700,000	
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This action establishes an appropriation for Property Acquisition Reserve in the amount of \$700,000 for the purchase of a part of the Evans Lane property from the Low and Moderate Income Housing Asset Fund for development of a Modular Library and Community Garden pending the identification of the operating model for the library. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Emergency and Minor Repair Program	Housing Department		\$140,000	

This action increases the Housing Emergency and Minor Repair appropriation by \$140,000, from \$1.5 million to \$1.6 million, for increased funding to Habitat for Humanity and Rebuilding Together services. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Legal Aid Fair Housing Program	Housing Department		(\$50,000)	
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This action decreases the Legal Aid Fair Housing Program by \$50,000, from \$300,000 to \$250,000, to recognize a funding shift for a portion of the program to the existing Contractual Community Services appropriation. Total funding for the Legal Aid Fair Housing Program remains unchanged at \$300,000. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Neighborhood Infrastructure Improvements	Housing Department		\$1,658,961	

This action increases the Neighborhood Infrastructure Improvements appropriation by \$1.7 million, from \$3.0 million to \$4.7 million, primarily for the Evans Lane development including the modular library, lights, roads and a community garden. At the time of the preparation of the 2018-2019 Operating Budget, the City had not yet released the "2018-2019 Annual Action Plan" due to the uncertainty of federal government funding. Consequently, staff assumed no change in funding from 2017-2018 in preparation of the 2018-2019 Adopted Budget. On May 1, 2018, the Department of Housing and Urban Development released funding allocations and staff adjusted the "2018-2019 Annual Action Plan" accordingly. This action will align resources and funds within that plan, which was approved by City Council on June 19, 2018. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$2,582,818)	
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This action decreases Ending Fund Balance to offset the actions in this report.

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## Community Development Block Grant Fund (441)



**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Convention And Cultural Affairs Fund (536)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from Transient Occupancy Tax Fund)	City Manager - Office of Economic Development			\$652,375
<p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budgeted estimate of \$28.0 million by \$1.3 million. This action increases the transfer to the Convention and Cultural Affairs Fund by \$652,375 in accordance with the distribution formula outlined in the San José Municipal Code to allocate the additional revenue received in the TOT Fund during 2017-2018. Corresponding adjustments to increase the transfer from the TOT Fund and adjust ending fund balance are also recommended in this report.</p>				
Ending Fund Balance Adjustment	City Manager - Office of Economic Development		\$652,375	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
<b>Convention And Cultural Affairs Fund (536)</b>			<b>\$652,375</b>	<b>\$652,375</b>

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Convention Center Facilities District Revenue Fund (791)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
South Hall Site Acquisition Debt Service	Finance Department		\$1,750,000	

This action establishes a debt service appropriation for the annual interest payments and Commercial Paper issuance expenses associated with the acquisition of the South Hall Site, as approved by the City Council on August 14, 2018, in the Convention Center Facility District Revenue Fund. This debt service payment was initially budgeted in the Convention and Cultural Affairs Capital Fund. With the accelerated payoff of other Commercial Paper debt associated with previous Convention Center expansion projects described below, there are sufficient resources within this fund to cover interest-only debt service payments over the next several years while the City considers a permanent financing and site development plan. A corresponding action to reduce equivalent funding in the Convention and Cultural Affairs Capital Fund is recommended elsewhere in this report, thereby increasing resources in that fund for any critical infrastructure improvements.

Debt Service: Commercial Paper (Convention Center Kitchen and HVAC)	Finance Department		\$1,389,000	
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This action increases funding by \$1.4 million, from \$1.4 million to \$2.8 million, to advance the retirement of the remaining principal and interest balance on Commercial Paper notes issued for prior expansion and renovation projects for the kitchen and HVAC system at the San José McEnery Convention Center. The outstanding balance is expected to be paid in full in 2018-2019, providing additional capacity to finance other priority projects, including support of the South Hall site acquisition. A corresponding action to reduce ending fund balance in the Convention Center Facility District Revenue Fund is recommended elsewhere in this report.

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Convention Center Facilities District Revenue Fund (791)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Convention Center Facilities District Capital Fund	City Manager - Office of Economic Development		\$400,000	

This action increases the transfer to the Convention Center Facilities District Capital Fund by \$400,000, from \$2.1 million to \$2.5 million, to support the installation of protective, and more visually appealing, stainless steel diamond plate covers for the 21 remaining concrete columns in the San José McEnery Convention Center that have not been addressed through prior authorized projects. Corresponding actions to recognize this transfer and appropriate funds for the Convention Center Concourse Column Covers project in the Convention Center Facilities District Capital Fund are recommended elsewhere in this report.

Ending Fund Balance Adjustment	City Manager - Office of Economic Development		(\$3,539,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

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**Convention Center Facilities District Revenue Fund (791)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Downtown Property And Business Improvement District Fund (302)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Downtown Property and Business Improvement District	Transportation Department		\$99,750	
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This action increases the Downtown Property and Business Improvement District appropriation by \$99,750 to allow for distribution of 2017-2018 tax assessments received from late payments or sale of directly-invoiced properties in the Downtown Properties Business Improvement District (PBID). Assessments are distributed as part of a contract between the City and PBID after payment has been received from property owners. A corresponding decrease to Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$99,750)	
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This action decreases Ending Fund Balance to offset the action recommended in this report.

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**Downtown Property And Business Improvement District Fund (302)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
2015 Justice Assistance Grant	Police Department		(\$12,000)	
<p>This action decreases the 2015 Justice Assistance Grant appropriation by \$12,000, from \$15,621 to \$3,621, to reconcile the grant funds. The Justice Assistance Grant program awards funds to further the Police Department's mission to promote public safety; prevent, suppress, and investigate crimes; provide emergency and non-emergency services; and adapt a multi-disciplinary approach to solving community problems, such as reducing gun violence. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Police Department		\$12,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
Ending Fund Balance/Beginning Fund Balance	Police Department		\$503	\$503
<p>This technical adjustment increases the Ending Fund Balance and Beginning Fund Balance by \$503 to recognize a liquidation of a carryover encumbrance.</p>				
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<b>Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)</b>			<b>\$503</b>	<b>\$503</b>

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Federal Drug Forfeiture Fund (419)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Pawn Slip Database)	Police Department		(\$55,000)	
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This action decreases the Police Department's Non-Personal/Equipment appropriation by \$55,000. The California Department of Justice provided free software to the Police Department to allow staff to quickly query pawn slips and images of pawned items to help identify burglary suspects and stolen property. The funding originally allocated in the Federal Drug Forfeiture Fund to pay for a similar software is no longer needed. A corresponding increase to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Police Department		\$55,000	
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This action increases the Ending Fund Balance to offset the action recommended in this report.

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**Federal Drug Forfeiture Fund (419)**

## Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

### Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Library - General Gifts	Library Department		\$81,159	
<p>This action increases the Library - General Gifts appropriation by \$81,159 to appropriate gifts made by various donors in 2017-2018, such as the Friends of the Library groups and the San José Library Foundation in support of the following: Cambrian Branch Library programming, supplies, and Summer Reading (\$2,500); Joyce Ellington Branch Library programming and supplies (\$250); Rose Garden Branch Library programming and supplies (\$1,000); Vineland Branch Library programming and supplies (\$1,780); West Valley Branch Library programming and supplies (\$500); Willow Glen Branch Library programming, supplies, and Summer Reading (\$1,365); and San José Promise (\$73,764). A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Library - General Gifts/Other Revenue	Library Department		\$23,373	\$23,373
<p>This action increases the Library – General Gifts appropriation and the corresponding estimate for Other Revenue in the amount \$23,373 to recognize and appropriate gifts made by various donors in 2018-2019, such as the Friends of the Library groups in support of the following: Alviso Branch Library programming and supplies (\$1,000); Berryessa Branch Library programming and supplies (\$1,500); Educational Branch Library programming and supplies (\$800); Dr. Martin Luther King Jr. Library programming and supplies (\$5,000); Hillview Branch Library programming and supplies (\$173); Joyce Ellington Branch Library programming and supplies (\$100); San José Public Library Marketing and Communications (\$10,000); Santa Teresa Branch Library programming and supplies (\$275); Seven Trees Branch Library programming and supplies (\$630); Vineland Branch Library programming and supplies (\$300); West Valley Branch Library programming and supplies (\$1,250); and Willow Glen Branch Library programming and supplies (\$2,345).</p>				
Ending Fund Balance Adjustment	Library Department		(\$81,159)	

This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

## Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

### Gift Trust Fund (139)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Canine Unit/Other Revenue	Police Department		\$5,000	\$5,000

This action increases the Canine Unit appropriation and the estimate for Other Revenue to recognize and appropriate a gift of \$5,000 to fund training for canines and their handlers. The mandatory six-week course for new handlers teaches canines and handlers basic patrol readiness.

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<b>Gift Trust Fund (139)</b>			<b>\$28,373</b>	<b>\$28,373</b>
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**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Home Investment Partnership Program Trust Fund (445)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Loans and Grants	Housing Department		\$3,700,000	

This action increases the Housing Loans and Grants appropriation by \$3.7 million to recognize a shift in funding sources for the Leigh Avenues Senior Apartments Project (\$2.2 million) and to appropriate the increase to the budget for the 2nd Street Studios project (\$1.5 million) that was approved by the City Council in June 12, 2018. The funding for the Leigh Avenues Senior Apartments Project was previously appropriated in the Committed Projects Reserve in the Low and Moderate Income Housing Asset Fund and actions to decrease the project funding in that reserve are also recommended. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$3,700,000)	
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This action decreases Ending Fund Balance to offset the action in this report.

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**Home Investment Partnership Program Trust Fund (445)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Housing Trust Fund (440)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing and Homeless Projects	Housing Department		\$150,000	

This action increases the Homeless and Housing Projects appropriation by \$150,000, from \$1.0 million to \$1.15 million, to support the Safe Parking Pilot Program. The March Mayor's Budget Message for Fiscal Year 2018-2019 directed the Housing Department to identify \$3.0 million to increase support for Homeless and Housing projects including a Safe Parking Pilot Program. The Housing Litigation Award funds were appropriated for this purpose; however, it was consequently determined not to be an eligible source for the Safe Parking Program. This action will allow the Housing Department to proceed with the Mayor's Message direction. A corresponding action to decrease Ending Fund Balance to offset this action is recommended elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$150,000)	
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This action decreases Ending Fund Balance to offset the action in this report.

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**Housing Trust Fund (440)**

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Integrated Waste Management Fund (423)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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EIC QALICB Master Lease Payment	Environmental Services Department		\$72,000	
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This action increases the Environmental Services Department's Environmental Innovation Center Qualified Active Low-Income Community Business EIC QALICB Master Lease Payment appropriation in the Integrated Waste Management Fund by \$72,000, from \$150,000 to \$222,000. This will allow the department to continue to pay, and to close out, the Environmental Innovation Center Master Lease. As this construction and associated activities are coming to completion, the Master Lease Agreement calls for the dissolution of EIC QALICB Inc.—the non-profit corporation created to hold and manage ownership of the EIC—and an end of Master Lease payments during 2018-2019. As originally budgeted, this appropriation included sufficient funding for payments in the first quarter and a fraction of the second. As the agreement has been clarified, full payment in the second quarter is required in order to complete the agreement and dissolve EIC QALICB Inc. This action is offset by a reduction to the Ending Fund Balance recommended in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$72,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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## Integrated Waste Management Fund (423)

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Low And Moderate Income Housing Asset Fund (346)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Revenue from the Use of Money/Property (Loan Repayment)	Housing Department		(\$24,000,000)	(\$24,000,000)

This action decreases the estimate for Revenue from the Use of Money/Property by \$24.0 million (from \$41.5 million to \$17.5 million) to align the budget with estimated collections of loan repayments. The 2018-2019 Operating Budget assumed a \$30.0 million loan repayment from the County of Santa Clara. Instead, \$24.0 million was received in 2017-2018. The \$6 million balance is anticipated to be received in 2018-2019 and is reflected in the revised revenue estimate. An action to decrease the Ending Fund Balance to offset this action is found elsewhere in this report.

Housing Project Reserve	Housing Department		\$12,963,000	
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This action increases the Housing Project Reserve by \$13.0 million to set aside funds for future affordable housing development. A reduction to the Committed Projects Reserve and the Ending Fund Balance are recommended elsewhere in this report to offset this action.

Committed Projects Reserve	Housing Department		(\$2,200,000)	
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This action decreases the Committed Project Reserve by \$2.2 million, from \$17.0 million to \$15.8 million, to reduce funding set aside for the Leigh Avenue project in the Low and Moderate Income Housing Asset Fund. In a separate action, funding of \$2.2 million for this project is recommended in the Home Invest Partnership Program Trust Fund. In the Low and Moderate Income Housing Asset Fund, this action is offset by an increase to the Housing Project Reserve.

Ending Fund Balance Adjustment	Housing Department		(\$10,763,000)	
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This action decreases Ending Fund Balance to offset the actions in this report.

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<b>Low And Moderate Income Housing Asset Fund (346)</b>			<b>(\$24,000,000)</b>	<b>(\$24,000,000)</b>
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# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Emergency Housing Plan)	Housing Department		\$150,000	
<p>This action increases the Housing Department's Non-Personal/Equipment Appropriation by \$150,000 to fund a consultant agreement to develop and update the Emergency Housing Plans. Having these and other emergency preparedness plans will better prepare the City in the event of a natural disaster. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Housing Loans and Grants (Teacher Loan Repayment)	Housing Department		\$104,000	
<p>This action increases the Housing Loans and Grants appropriation in the amount of \$104,000 to pass repayments to San José State University (SJSU) for teacher loans that were repaid in April 2018. The City of San José partnered with San José State University in 2007 to offer the Faculty Homebuyer Program. Half of the funds were provided by San José State University (\$500,000) and the other half by the City of San José to offer homebuyer assistance loans to SJSU staff. As repayments are received, the City is contractually obligated to return the money to San José State University until the obligation is fully met. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.</p>				
Non-Personal/Equipment/Other Revenue (Dahlia Project Grant)	Housing Department		\$80,000	\$80,000
<p>This action increases the estimate for Other Revenue and the Housing Department Loans and Grants appropriation by \$80,000 to recognize a grant from The Silicon Valley Community Foundation for the development of a affordable housing rental database and web portal. This will allow those seeking affordable housing opportunities to search for available units in one single location. Ongoing costs associated with this program will be covered by the Low and Moderate Income Housing Asset Fund.</p>				
Ending Fund Balance Adjustment	Housing Department		(\$2,501,341)	
<p>This action decreases Ending Fund Balance to offset the actions in this report.</p>				

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
City Housing Authority Reserve	Housing Department		\$2,247,341	

This action increases the City Housing Authority Reserve by \$2.2 million, from \$67.6 million to \$69.8 million, based on the reconciliation of the Housing Authority Litigation Award funds. Unspent funds that fell to fund balance and interest earnings from 2017-2018 are included in this action. A corresponding adjustment to the Ending Fund Balance is recommended in this report to offset this action.

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<b>Multi-Source Housing Fund (448)</b>			<b>\$80,000</b>	<b>\$80,000</b>
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# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Letter of Credit Fees	Community Energy Department		\$375,000	
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This action establishes a Letter of Credit Fees appropriation in the amount of \$375,000. On September 25, 2018, City Council authorized staff to execute a \$50.0 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs and provide collateral for various energy contracts. Funding for all debt service fees associated with the Program's start-up, including the Letter of Credit fees, were assumed during the development of the 2018-2019 Adopted Budget. This action isolates the Letter of Credit fees, which represent the cost set forth by Barclays Bank to maintain a \$50.0 million credit facility, consisting of a revolving Line of Credit not to exceed \$20.0 million and a Standby Letter of Credit not to exceed \$35.0 million for a total aggregate amount that shall not exceed \$50.0 million at any one time. A corresponding action to decrease the Debt Service - Interest - Revolver appropriation is recommended elsewhere in this memorandum.

Debt Service - Interest - Revolver	Community Energy Department		(\$375,000)	
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This action decreases the Debt Service - Interest - Revolver appropriation by \$375,000, from \$1,095,000 to \$720,000. On September 25, 2018, City Council authorized staff to execute a \$50 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs. Funding for all debt service fees associated with the Program's start-up, including the Letter of Credit fees, were assumed during the development of the 2018-2019 Adopted Budget. This action isolates the Letter of Credit fees, which represent the cost set forth by Barclays Bank to maintain a \$50.0 million credit facility, consisting of a revolving Line of Credit not to exceed \$20.0 million and a Standby Letter of Credit not to exceed \$35.0 million for a total aggregate amount that shall not exceed \$50.0 million at any one time. A corresponding action to establish a new Letter of Credit Fees appropriation is recommended elsewhere in this memorandum.

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**San José Clean Energy Operating Fund (501)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Financing Proceeds/Debt Service - Principal - Revolver (Line of Credit)	Community Energy Department		(\$15,000,000)	(\$15,000,000)

This action decreases the estimate for Financing Proceeds and the Debt Service - Principal - Revolver appropriation by \$15.0 million. On September 25, 2018, City Council authorized staff to execute a \$50.0 million revolving credit agreement with Barclays Bank to support San José Community Energy Program start-up costs. This \$50.0 million credit facility consists of a Revolving Line of Credit in an amount not to exceed \$20.0 million and a Standby Letter of Credit in an amount not to exceed \$30.0 million. In the 2018-2019 Adopted Budget, the Revolving Line of Credit was budgeted at \$35.0 million. This action decreases the current appropriation to \$20.0 million to align with the Line of Credit principal credit limit.



# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service - Interest - Commercial Paper	Community Energy Department		(\$460,000)	

This action eliminates the Debt Service – Interest – Commercial Paper appropriation in 2018-2019 of \$460,000. The San José Community Energy Department (SJCE) recently entered into an agreement, approved by City Council on September 25, 2018, to establish a \$50.0 million credit facility to support the Department's program launch start-up costs. The credit facility is necessary to support San José Community Energy Program start-up costs and provide collateral for various energy contracts for SJCE in preparation of the Clean Energy Program launch, namely Phase II that will serve residential and commercial customers throughout the City. As a requirement that is set forth in the credit facility agreement, SJCE must build up an Operating Reserve of \$20.0 million before it assumes the repayment of any debt, including repayment of the Commercial Paper. With the actions recommended in this report, the budgeted reserves will total \$18.2 million, including \$13.3 million in the Operations and Maintenance Reserve and \$4.9 million in the Community Energy Rate Stabilization Reserve. This debt service interest payment will instead be rolled into debt payments due in 2019-2020, when it is projected that the \$20.0 million Operating Reserve level will be met. Corresponding adjustments to the Debt Service – Principal – Commercial Paper and Operations and Maintenance Reserve appropriations are also recommended elsewhere in this document.

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## San José Clean Energy Operating Fund (501)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Debt Service - Principal - Commercial Paper	Community Energy Department		(\$7,500,000)	

This action eliminates the Debt Service – Principal – Commercial Paper appropriation in 2018-2019 of \$7.5 million. The San José Community Energy Department (SJCE) recently entered into an agreement, approved by City Council on September 25, 2018, to establish a \$50.0 million credit facility to support the Department's program launch start-up costs. The credit facility is necessary to support San José Community Energy Program start-up costs and provide collateral for various energy contracts for SJCE in preparation of the Clean Energy Program launch, namely Phase II that will serve residential and commercial customers throughout the City. As a requirement that is set forth in the credit facility agreement, SJCE must build up an Operating Reserve of \$20.0 million before it assumes the repayment of any debt, including repayment of the Commercial Paper. With actions recommended in this report, the budgeted reserves will total \$18.2 million, including \$13.3 million in the Operations and Maintenance Reserve and \$4.9 million in the Community Energy Rate Stabilization Reserve. This debt service principal payment will instead be rolled into debt payments due in 2019-2020, when it is projected that the \$20.0 million Operating Reserve level will be met. Corresponding adjustments to the Debt Service – Principal – Commercial Paper and Operations and Maintenance Reserve appropriations are also recommended elsewhere in this document.

Operations and Maintenance Reserve	Community Energy Department		\$7,960,000	
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This action increases the Operations and Maintenance Reserve by \$8.0 million (from \$5.3 million to \$13.3 million) to offset the Debt Service Commercial Paper adjustments that are recommended elsewhere in this report.

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<b>San José Clean Energy Operating Fund (501)</b>			<b>(\$15,000,000)</b>	<b>(\$15,000,000)</b>
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## Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

### San José-Santa Clara Treatment Plant Operating Fund (513)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Climate Smart San José)	Environmental Services Department		(\$50,000)	
<p>This action decreases the Environmental Services Department's Personal Services appropriation by \$50,000 to correct the funding allocation for 0.3 FTEs working within the scope of Climate Smart San José, a City Council-approved plan for reducing greenhouse gas emissions related to energy, mobility (transportation and land use), and ensuring a long-term water supply. The 0.3 FTE is recommended to be funded by the General Fund and corresponding actions to increase the Personal Services appropriation and decrease the San José Environmental Sustainability Program Reserve in the General Fund are recommended elsewhere in this report.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		\$75,572	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Overhead	Environmental Services Department		(\$25,572)	
<p>This action decreases the Overhead appropriation by \$25,572, from \$12.61 million to \$12.59 million. During the development of the 2018-2019 Adopted Operating Budget, an error was made in the allocation of City-wide overhead in the San José-Santa Clara Treatment Plant Operating Fund. This action corrects this error and properly aligns the overhead allocation to the corresponding revenue estimate in the General Fund. A corresponding increase to the Ending Fund Balance is recommended to offset this action in this report.</p>				

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### San José-Santa Clara Treatment Plant Operating Fund (513)

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Sewer Service And Use Charge Fund (541)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Dump Truck Rental)	Transportation Department		\$45,000	
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This action increases the Department of Transportation's Non-Personal/Equipment appropriation by \$45,000 for the rental of a dump truck for nine months to support sewer repairs until a new dump truck is procured. The purchase of a new dump truck was approved in the 2018-2019 Adopted Budget, and the purchasing process is anticipated to take nine to twelve months. A corresponding decrease to Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Environmental Services Department		(\$45,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**Sewer Service And Use Charge Fund (541)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**South Bay Water Recycling Operating Fund (570)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Contractual Services)	Environmental Services Department		\$1,100,000	
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This action increases the Environmental Services Department's Non-Personal/Equipment appropriation within the South Bay Water Recycling Operating Fund by \$1.1 million, from \$3.2 million to \$4.3 million. This fund was created in the 2018-2019 Adopted Operating Budget to more effectively organize revenues and expenditures related to the South Bay Water Recycling Plant, which provides water recycling services to a variety of jurisdictions in the South Bay. Since establishment of the fund, staff has continued to scope and refine the necessary funding allocations. The funding allocation of \$1.1 million implements significant operations projects, such as valve repair and replacement, communications and control upgrades, and pump station retrofits to allow for optimized service levels to continue daily recycled water utility operations. This action is offset by a corresponding reduction to the Ending Fund Balance.

Ending Fund Balance Adjustment	Environmental Services Department		(\$1,100,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**South Bay Water Recycling Operating Fund (570)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**St. James Park Management District Fund (345)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Personal Services (St. James Placemaking - reallocation of funding from General Fund)	Parks, Recreation and Neighborhood Services Department		\$12,165	
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This action increases the Personal Services appropriation to the Parks, Recreation and Neighborhood Services Department by \$12,165 (from \$211,897 to \$224,062) to reflect the costs of a part-time position that was inadvertently funded in the General Fund. A corresponding decrease to the Personal Services appropriation to the Parks, Recreation and Neighborhood Services Department in the General Fund is recommended to offset this action.

Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services Department		(\$12,165)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**St. James Park Management District Fund (345)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Storm Sewer Operating Fund (446)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Overhead	Transportation Department		\$15,613	
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This action increases the Overhead appropriation by \$15,613, from \$3.76 million to \$3.77 million. During the development of the 2018-2019 Adopted Operating Budget an error was made in the allocation of City-wide overhead in the Storm Sewer Operating Fund. This action corrects this error and properly aligns the overhead allocation to the corresponding revenue estimate in the General Fund. A corresponding decrease to the Ending Fund Balance is recommended to offset this action in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$15,613)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**Storm Sewer Operating Fund (446)**

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Supplemental Law Enforcement Services Fund (414)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SLES Grant 2015-2017/Revenue from State of California (Interest Earnings)	Police Department		\$1,302	\$1,302

This action increases the SLES Grant 2015-2017 appropriation to the Police Department and increases the estimate for Revenue from State of California, to recognize interest earned in 2017-2018, to the Supplemental Law Enforcement Services grant in the amount of \$1,302. The funds will be used in accordance with the approved spending plan, which includes officer equipment and enhancements, training, computers, specialized vehicles, and grant administration.

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<b>Supplemental Law Enforcement Services Fund (414)</b>			<b>\$1,302</b>	<b>\$1,302</b>
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# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Cultural Grants (TOT Revenue Reconciliation)</p> <p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the Cultural Grants allocation by \$335,067 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue (\$326,187), and to allocate excess revenue received from Office of Cultural Affairs permitting activity (\$8,800). A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		\$335,067	
<p>Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)</p> <p>Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the transfer to the Convention and Cultural Affairs Fund by \$652,375 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	City Manager - Office of Economic Development		\$652,375	

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
San José Convention and Visitors Bureau (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		\$326,187	

Actual 2017-2018 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$28.0 million by \$1.3 million. These excess funds are recommended to be distributed for Cultural Grants, for the San José Convention and Visitors Bureau, and for transfer to the Convention and Cultural Affairs Fund as included in this report. This action increases the San José Convention and Visitors Bureau allocation by \$326,187 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		(\$1,313,629)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

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## Transient Occupancy Tax Fund (461)

**Special Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

**Water Utility Fund (515)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the General Fund - Late Fees	Environmental Services Department		\$91,770	
<p>This action increases the Transfer to the General Fund - Late Fees by \$91,770, from \$250,000 to \$341,770, to reflect higher than anticipated Late Fee revenue received in 2017-2018. Late Fee revenues in the Water Utility Fund are an unrestricted source of income for the City, and are therefore transferred each year to the General Fund. Corresponding actions to recognize this funding in the General Fund and to decrease the Ending Fund Balance in the Water Utility Fund are recommended in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$91,770)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

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**Water Utility Fund (515)**

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Administrative Costs	City Attorney's Office		(\$57,423)	
<p>This action decreases the budget for City Attorney's Office administrative costs by \$57,000 based on expected need for legal services. The City Attorney's Office provides guidance on Workforce Investment and Opportunity Act program management. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>				
Revenue form Federal Government	City Manager - Office of Economic Development			(\$2,076,495)
<p>This action decreases the estimate for Revenue from Federal Government by \$2.1 million to align with the allocation anticipated to be received from the Federal Government for 2018-2019. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>				
Administration - City Attorney's Office	City Manager - Office of Economic Development		\$39,822	
<p>This action increases the Administration appropriation by \$39,822 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>				
Adult Workers	City Manager - Office of Economic Development		(\$225,779)	
<p>This action decreases the Adult Workers appropriation by \$226,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training, occupational courses, work readiness certification, and other services that prepare unemployed adult workers to successfully enter the workforce. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>				

# Special Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Dislocated Workers  This action decreases the Dislocated Workers appropriation by \$116,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides retraining career coaching, occupational courses, and other services that aid individuals that are long term unemployed, laid off or on the verge of being laid off, and unlikely to return to the previous position. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.	City Manager - Office of Economic Development		(\$115,825)	
Rapid Response Grant  This action decreases the Rapid Response Grant appropriation by \$109,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training services to businesses and workers impacted or at risk of being impacted like company closures or layoffs. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.	City Manager - Office of Economic Development		(\$108,882)	
Youth Workers  This action decreases the Youth Workers appropriation by \$248,000 to align with the allocation anticipated to be received from the Federal Government for 2018-2019. This program provides job training, career coaching, vocational assessment, and other services that prepare youth ranging from 18 through 24 years in age to secure employment. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.	City Manager - Office of Economic Development		(\$248,367)	
Ending Fund Balance Adjustment  This action decreases the Ending Fund Balance to offset the actions recommended in this report.	City Manager - Office of Economic Development		(\$1,360,041)	
			<hr/>	
<b>Workforce Development Fund (290)</b>			<b>(\$2,076,495)</b>	<b>(\$2,076,495)</b>

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Airport Renewal and Replacement Fund (527)</b>			
Southeast Ramp Reconstruction	Airport	\$2,000	
<p>This action reestablishes the Southeast Ramp Reconstruction project in the amount of \$2,000 to account for minor closeout costs to complete this project. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Network Replacement	Airport	\$233,000	
<p>This action increases the Network Replacement project by \$233,000 (from \$3,707,000 to \$3,940,000). These funds will be used to accelerate the project's completion from four years to two years, thereby creating overall project efficiency with the implementation of the new technological enhancements. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>			
Interim Terminal Facility - Six Gates (Reallocation to the Airport Revenue Bond Improvement Fund)	Airport	\$(58,000,000)	
<p>This action eliminates the Interim Terminal Facility - Six Gates project in the amount of \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates in the Airport Revenue Bond Improvement Fund. Therefore, this action eliminates the project in the Airport Renewal and Replacement Fund. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Revenue Fund, Airport Revenue Bond Improvement Fund, and in this fund are recommended elsewhere in this report.</p>			
Ending Fund Balance Adjustment	Airport	\$(235,000)	
Transfer from Airport Surplus Revenue Fund			\$(58,000,000)
<p>This action reduces the Transfer from the Airport Surplus Revenue Fund by \$58.0 million. As included in the 2018-2019 City Manager's Budget Addendum #29 as approved by City Council, an increase to the transfer from the Airport Revenue Fund to the Airport Surplus Revenue Fund and corresponding transfer to the Airport Renewal and Replacement Fund were included in the Airport's 2019-2023 Capital Improvement Program to fund the Interim Terminal Facility - Six Gates project, which supports the addition of six new gates at the south end of the Airport's Terminal B. Establishing this temporary funding mechanism was necessary until the Airport Commercial Paper (CP) Program became available to fund the Interim Terminal Facility. The Airport CP Program, approved by City Council on August 28, 2018, provided alternate funding for the addition of the six new gates in the Airport Revenue Bond Improvement Fund. Therefore, this action reduces the Transfer from the Airport Surplus Revenue Fund. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Revenue Fund, Airport Revenue Bond Improvement Fund, and in this fund are recommended elsewhere in this report.</p>			
<b>Airport Renewal and Replacement Fund (527) TOTAL</b>		<b>\$(58,000,000)</b>	<b>\$(58,000,000)</b>

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

Action	Department	Use	Source
<b>Airport Capital Improvement Fund (520)</b>			
Airfield Geometric Implementation	Airport	\$(2,000,000)	
<p>This action decreases the Airfield Geometric Implementation project in the amount of \$2.0 million, from \$6,044,000 to \$4,044,000, to more accurately reflect the project's anticipated timing. This project's progression is contingent upon the completion of the Airfield Geometric Study and review of the study's findings by the Federal Aviation Administration (FAA). Recommendations from the geometric study have not yet been approved by the FAA. The Airfield Geometric Implementation project will design and construct improvements to airfield geometry to maximize safety and compliance with FAA regulations and design standards. This project is contingent upon the timing and availability of FAA grant funding.</p>			
Ending Fund Balance Adjustment	Airport	\$2,000,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>			
<b>Airport Capital Improvement Fund (520) TOTAL</b>			
<hr/>			
<b>Airport Revenue Bond Improvement Fund (526)</b>			
Perimeter Fence Line Upgrades	Airport	\$241,000	
<p>This action re-establishes the Perimeter Fence Line Upgrades project in the Airport Revenue Bond Improvement Fund in the amount of \$241,000. A portion of this project's total funding was allocated from a Federal Aviation Administration (FAA) Airport Improvement Program grant award. However, it was later determined that this portion of project costs were ineligible for FAA reimbursements. This action allocates that portion of funding to the Airport Revenue Bond Improvement Fund where project costs have been determined bond eligible. This project funds fence line improvements around the perimeter of the airport to enhance security and deter unauthorized access to the facilities. An offsetting adjustment to the Ending Fund Balance is recommended elsewhere in this report.</p>			
Interim Terminal Facility - Six Gates (Reallocation from the Airport Renewal and Replacement Fund)	Airport	\$58,000,000	
<p>This action establishes the Interim Terminal Facility - Six Gates project in the amount of \$58.0 million. This project, previously titled Interim Terminal Facility - Four Gates, will add six new gates at the south end of the Airport's Terminal B. Passenger activity has experienced marked growth over the last few years, increasing demands on the facility. Passenger levels are expected to reach 14.2 million in 2019, levels not seen since the peak in 2011. These new gates are planned to open in the summer of 2019. Corresponding adjustments in the Airport Revenue Fund, the Airport Surplus Revenue Fund, the Airport Renewal and Replacement Fund, and in this fund are recommended elsewhere in this report.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Airport Revenue Bond Improvement Fund (526)</b>			
Terminal Area Improvement Phase I	Airport	\$358,000	
<p>This action re-establishes the Terminal Area Improvement Phase 1 project in the Airport Revenue Bond Improvement Fund in the amount of \$358,000, allocating prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund. This project funds terminal area zone projects including construction of Terminal B, roadway improvements, landscaping, signage, and improvements to Terminal A. An offsetting adjustment to the Ending Fund Balance is recommended elsewhere in this report.</p>			
Terminal B Gates 29 & 30	Airport	\$35,000	
<p>This action re-establishes the Terminal B Gates 29 &amp; 30 project in the Airport Revenue Bond Improvement Fund in the amount of \$35,000, allocating prior year savings from a number of completed bond-funded projects in the Airport Revenue Bond Improvement Fund. This project funds the addition of two new gate systems to the south end of Terminal B. An offsetting adjustment to the Ending Fund Balance is recommended elsewhere in this report.</p>			
Ending Fund Balance Adjustment	Airport	\$(634,000)	
<p>This action decreases the Ending Fund Balance to offset the actions included elsewhere in this report.</p>			
Financing Proceeds (Commercial Paper)	Airport		\$58,000,000
<p>This action establishes an estimate for Financing Proceeds in the amount of \$58.0 million. On August 28, 2018, City Council approved the Airport Commercial Paper Letter of Credit Substitution (Commercial Paper Program). This allocation will become the funding source for the Airport's new Interim Terminal Facility - Six Gates project, which adds six new gates at the south end of the Airport's Terminal B. Passenger activity has experienced marked growth over the last few years, increasing demands on the facility. Passenger levels are expected to reach 14.2 million in 2019; levels not seen since the peak in 2001. These new gates are planned to open in the summer of 2019. Corresponding adjustments in the Airport Surplus Revenue Fund, Airport Revenue Fund, Airport Renewal and Replacement Fund, and in this fund are recommended elsewhere in this report.</p>			
<b>Airport Revenue Bond Improvement Fund (526) TOTAL</b>		<b>\$58,000,000</b>	<b>\$58,000,000</b>

### Branch Libraries Bond Projects Fund (472)

Branch Efficiency Projects	Library	\$300,000	
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This action increases the Branch Efficiency Projects appropriation by \$300,000 to fund various capital projects that will improve workflow efficiency, reduce energy costs, and reduce maintenance costs at various branch libraries. A corresponding decreases to the Ending Fund Balance to offset this action is recommended in this report.



## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Branch Libraries Bond Projects Fund (472)</b>			
Ending Fund Balance Adjustment	Library	\$(300,000)	

This action decreases the Ending Fund Balance to offset the action recommended in this report.

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### Branch Libraries Bond Projects Fund (472) TOTAL

### Convention and Cultural Affairs Capital Fund (560)

South Hall Site Acquisition Debt Service	Finance	\$(1,750,000)	
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This action eliminates the debt service appropriation for the annual interest payments and Commercial Paper issuance expenses associated with the acquisition of the South Hall Site, as approved by the City Council on August 14, 2018. A corresponding increase to the debt service appropriation in the Convention Center Facility District Revenue Fund is recommended to reflect the shift of debt service costs to that fund from the Convention and Cultural Affairs Capital Fund. With the accelerated payoff of other Commercial Paper debt associated with previous Convention Center expansion projects described elsewhere, there are sufficient resources within the Convention Center Facility District Revenue Fund to cover interest-only debt service payments over the next several years while the City considers a permanent financing and site development plan, thereby increasing resources in the Convention and Cultural Affairs Capital Fund for any critical infrastructure improvements.

Preliminary Engineering - Cultural Facilities	Public Works	\$100,000	
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This action establishes the Preliminary Engineering - Cultural Facilities appropriation to the Public Works Department, in the amount of \$100,000, to support personnel costs incurred for the planning, evaluation, and development of capital projects for City of San Jose cultural facilities in advance of project-specific funding. A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this report to offset this action.

Rehabilitation / Repair - Electrical	Office of Economic Development	\$340,000	
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This action increases funding for Rehabilitation / Repair - Electrical projects by \$340,000, from \$1,225,000 to \$1,565,000, to replace redundant audio cores and 112 speakers in the San Jose McEnery Convention Center which have exceeded their useful lives (\$201,000), replace 45 touch screen monitors providing digital signage across multiple venues (\$100,000), to complete the previously authorized phone system upgrade and provide sets for new employees (\$20,000), and to replace wireless microphone systems in the California Theatre (\$19,000). A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this report to offset this action.

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Convention and Cultural Affairs Capital Fund (560)</b>			
Rehabilitation / Repair - Mechanical	Office of Economic Development	\$90,000	
This action increases funding for Rehabilitation / Repair - Mechanical projects by \$90,000, from \$1,613,000 to \$1,703,000, to replace an obsolete portable wheel chair lift (\$40,000) and to replace seven sets of Exhibit Hall doors in the San José McEnery Convention Center that have integrated smoke detectors (\$50,000), testing the replacements with monitoring systems. A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this report to offset this action.			
Rehabilitation / Repair - Miscellaneous	Office of Economic Development	\$22,000	
This action increases funding for Rehabilitation / Repair - Miscellaneous projects by \$22,000, from \$165,000 to \$187,000, to replace obsolete washers and dryers that support activities at multiple venues (\$12,000), and to replace stage and pony wall curtains at the Montgomery Theater which have exceeded their useful lives (\$10,000). A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this report to offset this action.			
Rehabilitation / Repair - Structures	Office of Economic Development	\$25,000	
This action increases funding for Rehabilitation / Repair - Structures projects by \$25,000, from \$605,000 to \$630,000, for higher than anticipated costs to replace structural side arms for lighting fixtures at the Center for the Performing Arts. A corresponding adjustment to Ending Fund Balance is recommended elsewhere in this report to offset this action.			
Capital Reserve	Office of Economic Development	\$2,500,000	
This action reserves \$2.5 million for future improvements to cultural facilities owned and maintained by the City of San José and Team San Jose. A corresponding adjustment to Ending Fund Balance is included elsewhere in this report to offset this action.			
Ending Fund Balance Adjustment	Office of Economic Development	\$(1,327,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.			
<b>Convention and Cultural Affairs Capital Fund (560) TOTAL</b>			
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<b>Convention Center Facilities District Capital Fund (798)</b>			
Convention Center Concourse Column Covers	Public Works	\$400,000	
This action provides \$400,000 to support the installation of protective, and more visually appealing, stainless steel diamond plate covers for the 21 remaining concrete columns in the San José McEnery Convention Center that have not been addressed through prior authorized projects. Corresponding actions to increase the transfer from the Convention Center Facilities District Revenue Fund and recognize the corresponding revenue are recommended elsewhere in this report.			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Convention Center Facilities District Capital Fund (798)</b>			
Convention Center Elevator Upgrades	Public Works	\$128,000	
<p>This action provides \$128,000 in funding to accommodate additional costs for fire, life and safety upgrades that were not originally anticipated as part of the initial project scope to upgrade Convention Center elevators. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Office of Economic Development	\$(128,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
Transfers and Reimbursements (Transfer from the Convention Center Facility District Revenue Fund)	Office of Economic Development		\$400,000
<p>This action increases the revenue estimate from Transfers and Reimbursements by \$400,000, from \$2.1 million to \$2.5 million, to reflect additional transfers from the Convention Center Facilities District Revenue Fund to support the installation of protective covers for the 21 remaining concrete columns in the San José McEnery Convention Center that have not been addressed through prior authorized projects. Corresponding actions to transfer these funds from the Convention Center Facilities District Revenue Fund and allocate funds for the Convention Center Concourse Column Covers project are recommended elsewhere in this report.</p>			
<b>Convention Center Facilities District Capital Fund (798) TOTAL</b>		<b>\$400,000</b>	<b>\$400,000</b>
<b>General Purpose Parking Capital Fund (559)</b>			
Revenue Control and Meter Upgrades	Transportation	\$875,000	
<p>This action increases the Revenue Control and Meter Upgrades appropriation by \$875,000, from \$2.6 million to \$3.5 million, to provide for system enhancements that have been added to the scope of the Parking Access Revenue Control System project, primarily a new command center that will centralize information for all parking facilities and enable quicker response times to operational issues. A corresponding decrease to the Parking Capital Development Reserve is also recommended in this report to offset this action.</p>			
Parking Capital Development Reserve	Transportation	\$(875,000)	
<p>This action decreases the Parking Capital Development Reserve in the amount of \$875,000, from \$3.0 million to \$2.1 million, to offset the recommended increase to the Parking Access Revenue Control System appropriation as recommended in this report.</p>			
<b>General Purpose Parking Capital Fund (559) TOTAL</b>		<b>\$0</b>	<b>\$0</b>

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Parks and Recreation Bond Projects Fund (471)</b>			
Parks and Recreation Bond Projects Contingency Reserve	Parks, Recreation and Neighborhood Services	\$(340,000)	
<p>This action decreases the Parks and Recreation Bond Projects Contingency Reserve in the Parks and Recreation Bond Projects Fund in the amount of \$340,000. This allocation provides funding for the remaining bond-funded projects (softball and soccer complexes), should they exceed budgeted levels due to higher than anticipated costs or scope changes. With the Arcadia Softball Complex scheduled to complete in spring 2019, this funding can be reallocated to the Soccer Facility Reserve as recommended in this report.</p>			
Soccer Facility Reserve	Parks, Recreation and Neighborhood Services	\$340,000	
<p>This action renames the Guadalupe Gardens Soccer Facility Reserve in the Parks and Maintenance Bond Projects Fund to the Soccer Facility Reserve and increases funding by \$340,000, from \$14,276,365 to \$14,616,365. This reserve provides funding for the future construction of a regional soccer facility. Once completed the soccer facility will consist of multiple soccer fields with night use lighting, concession and restroom buildings, and a parking lot. A corresponding decrease to the Parks and Recreation Bond Projects Contingency Reserve to offset this action is recommended in this report.</p>			
<b>Parks and Recreation Bond Projects Fund (471) TOTAL</b>			
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<b>Council District 10 Construction and Conveyance Tax Fund (389)</b>			
Waterford Park Park Improvement	Parks, Recreation and Neighborhood Services	\$150,000	
<p>This action increases the Waterford Park Improvements appropriation in the amount of \$150,000, from \$339,000 to \$489,000. The project scope includes water efficient irrigation system upgrades, renovating the landscaping, replacing park furniture, repairing and repainting exercise equipment, renovating the playground, and other minor improvements. This augmentation will ensure adequate funding is programmed to complete the project. A corresponding decrease to the Ending Funding Balance to offset this action is recommended in this report.</p>			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(150,000)	
<p>This decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
<b>Council District 10 Construction and Conveyance Tax Fund (389) TOTAL</b>			
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## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Council District 2 Construction and Conveyance Tax Fund (378)</b>			
Metcalf Park	Parks, Recreation and Neighborhood Services	\$(48,000)	
This action eliminates the remaining \$48,000 allocated to the Metcalf Park project. Given the remaining limited funding, this project is no longer viable. These resources are instead recommended for reallocation to the Metcalf Park Perimeter Fencing project as described elsewhere in this report.			
Metcalf Park Perimeter Fencing	Parks, Recreation and Neighborhood Services	\$48,000	
This action establishes the Metcalf Park Perimeter Fencing appropriation in amount of \$48,000 in the Counstruction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #2 to support an increased scope to include shade at the park (this project is also funded in the Subdivison Park Trust in the amount of \$45,000). This project provides funding for improvements at Metcalf Park, which should deter wild pigs from entering and damaging the turf of the park. A corresponding decrease to the Metcalf Park appropriation to offset this action is recommended in this report.			
<b>Council District 2 Construction and Conveyance Tax Fund (378) TOTAL</b>			<hr/>
<b>Council District 3 Construction and Conveyance Tax Fund (380)</b>			
Forestdale Tot Lot Renovation	Parks, Recreation and Neighborhood Services	\$18,000	
This action increases the Forestdale Tot Lot Renovation appropriation by \$18,000 (from \$30,000 to \$48,000) for the installation of new resilient rubber surfacing at this playlot. During the demolition and excavation of the existing drainage structures at the site, it was determined that all resilient surfacing needed to be replaced. A corresponding decrease to the Ending Fund Balance is recommended to offset this action recommended in this report.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(18,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
<b>Council District 3 Construction and Conveyance Tax Fund (380) TOTAL</b>			<hr/>
<b>Council District 4 Construction and Conveyance Tax Fund (381)</b>			
Noble Modular Neighborhood Center Improvements	Parks, Recreation and Neighborhood Services	\$20,000	
This action increases the Noble Modular Neighborhood Center Improvement appropriation by \$20,000 (from \$50,000 to \$70,000) for the installation of flooring and restroom improvements at the Modular Neighborhood Center. During the course of the project, significant mold was found under the modular structure. As a result, additional funding is needed for mold abatement at the Noble Modular Neighborhood Center. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.			

**Capital Funds Recommended Budget Adjustments Summary  
2017-2018 Annual Report**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Council District 4 Construction and Conveyance Tax Fund (381)</b>			
Ending Fund Balance Reconciliation	Parks, Recreation and Neighborhood Services	\$(20,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
<hr/>			
<b>Council District 4 Construction and Conveyance Tax Fund (381) TOTAL</b>			
<b>Council District 7 Construction and Conveyance Tax Fund (385)</b>			
TRAIL: Coyote Creek - Story Road Intersection and Trail Enhancements	Parks, Recreation and Neighborhood Services	\$309,000	
This action establishes the TRAIL: Coyote Creek (Story Road Intersection and Trail Enhancements) appropriation in the amount of \$309,000. This funding will support modifying the traffic signal on Story Road and Remillard Court to support pedestrian and bicycle travel. Corresponding decreases to the Ending Fund Balance and the Bellevue Park Improvements project to offset this action are recommended in this report.			
Bellevue Park Improvements	Parks, Recreation and Neighborhood Services	\$(30,000)	
This action eliminates the Bellevue Park Improvements appropriation of \$30,000 as the project was completed in 2017-2018. This funding is recommended for reallocation to the TRAIL: Coyote Creek Story Road Intersection and Trail Enhancements project as described elsewhere in this project.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(279,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
<hr/>			
<b>Council District 7 Construction and Conveyance Tax Fund (385) TOTAL</b>			
<b>Council District 8 Construction and Conveyance Tax Fund (386)</b>			
TRAIL: Thompson Creek (Quimby Rd - Aborn Ct) Reserve	Parks, Recreation and Neighborhood Services	\$106,000	
This action establishes the TRAIL: Thompson Creek (Quimby Rd - Aborn Ct) Reserve in the Construction and Conveyance Tax Fund: Parks Purposes Council District 8 in the amount of \$106,000. This project will provide funding to support the future construction of the trail along Thompson Creek from Quimby Road to Aborn Court. A corresponding decrease to the Ending Fund Balance is recommended in this report.			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(106,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.			
<hr/>			
<b>Council District 8 Construction and Conveyance Tax Fund (386) TOTAL</b>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>			
2017 Flood - Alum Rock Park Mineral Springs Bridge Embankment	Parks, Recreation and Neighborhood Services	\$209,000	
<p>This action increases the 2017 Flood - Alum Rock Park Mineral Springs Bridge Embankment appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$209,000, from \$589,000 to \$798,000. This project provides funding for necessary embankment repairs in Alum Rock that sustained damage during February 2017 winter storms. With a more refined cost estimate, additional funding for the project is required. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
2017 Flood - Alum Rock Park Mineral Springs Restrooms	Parks, Recreation and Neighborhood Services	\$5,000	
<p>This action increases the 2017 Flood - Alum Rock Park Mineral Springs Restrooms appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$5,000, from \$189,000 to \$194,000. The Mineral Springs Restrooms sustained damage due to a significant mudslide and large boulders that came down the hillside due to heavy rains in February 2017. Additional funding is required to perform the geotechnical investigation of the hillside behind restrooms. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
2017 Flood - Alum Rock Park Service Road Repairs and Reconstruction	Parks, Recreation and Neighborhood Services	\$(476,000)	
<p>This action decreases the 2017 Flood - Alum Rock Park Service Road Repairs and Reconstruction appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$476,000, from \$3,260,000 to \$2,784,000. With a more refined cost estimate, anticipated savings in this project are recommended for reallocation to other Flood projects. Offsetting increases to other Flood Projects, resulting in a net-zero impact, are recommended in this report.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>			
2017 Flood - Alum Rock Park Trestle Repair	Parks, Recreation and Neighborhood Services	\$(319,000)	
<p>This action decreases the 2017 Flood - Alum Rock Park Trestle Repair appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$319,000, from \$2,124,000 to \$1,805,000. With a more refined cost estimate, anticipated savings in this project are recommended for reallocation to other Flood projects. Offsetting increases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
2017 Flood - Alum Rock Park Visitors Center	Parks, Recreation and Neighborhood Services	\$47,000	
<p>This action increases the 2017 Flood - Alum Rock Park Visitors Center appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$47,000, from \$161,000 to \$208,000. This project provides funding for necessary repairs to several facilities in the Alum Rock area and along the Coyote Creek corridor caused by the February 2017 winter storms. Additional funding is required to install electrical panels and to relocate the pull box. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
2017 Flood - Family Camp Playground Shade Structure, Retaining Wall and Slope Stabilization	Parks, Recreation and Neighborhood Services	\$200,000	
<p>This action increases the 2017 Flood - Family Camp Playground Shade Structure and Retaining Wall appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$200,000, from \$661,000 to \$861,000. This project provides funding for necessary repairs to the facilities at Family Camp that sustained damage during February 2017 winter storms. With a more refined cost estimate, additional funding for the project is required. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
2017 Flood - Japanese Friendship Garden Koi Pond and Koi Pump House	Parks, Recreation and Neighborhood Services	\$230,000	
<p>This action increases the 2017 Flood - Japanese Friendship Garden Koi Pond &amp; Koi Pump House appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$230,000, from \$1,451,000 to \$1,681,000. This project provides funding for necessary repairs to the Koi pump house that sustained damage during the February 2017 winter storms. With a more refined cost estimate, additional funding for the project is required. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			



## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>			
2017 Flood - Japanese Friendship Garden Tea House	Parks, Recreation and Neighborhood Services	\$(242,000)	
<p>This action decreases the 2017 Flood - Japanese Friendship Garden Tea House in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$242,000, from \$2,165,000 to \$1,923,000. This project provides funding for necessary repairs to the Japanese Friendship Garden Tea House that sustained damage during the February 2017 winter storms. With a more refined cost estimate, anticipated savings in this project are recommended for reallocation to other Flood projects. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report</p>			
2017 Flood - Kelley Park Outfall	Parks, Recreation and Neighborhood Services	\$346,000	
<p>This action increases the 2017 Flood - Kelley Park Outfall appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$346,000, from \$1,223,000 to \$1,569,000. This project provides funding for necessary repairs to the outfall at Kelley Park that sustained damage during the February 2017 winter storms. With a more refined cost estimate, additional funding for the project is required. Offsetting decreases to other Flood projects, resulting in a net-zero impact, are recommended in this report.</p>			
Alum Rock Park Bridge Repair	Parks, Recreation and Neighborhood Services	\$(322,000)	
<p>This action eliminates the Alum Rock Park Bridge Repair appropriation of \$322,000. Due to increased cost of the project scope, this project had been placed on hold. These funds are recommended to be reallocated to other high priority projects, as described elsewhere in this report.</p>			
Arcadia Softball Facility Fixtures, Furnishings and Equipment	Parks, Recreation and Neighborhood Services	\$260,000	
<p>This action increases the Arcadia Softball Facility Fixtures, Furnishing, and Equipment appropriation by \$260,000, from \$420,000 to \$680,000, to implement technology systems for the opening of Arcadia Ballpark anticipated in spring 2019. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>			
Happy Hollow Park and Zoo Lower Zoo Master Plan and Design	Parks, Recreation and Neighborhood Services	\$14,000	
<p>This action increases the Happy Hollow Park and Zoo Lower Zoo Master Plan and Design appropriation in the Construction and Conveyance Tax Fund: City-Wide Parks Purposes in the amount of \$14,000, from \$15,000 to \$29,000. Project elements include re-design of the upper area play station, design of two night houses, and master planning efforts related to expanding the lower zoo into a portion of Kelley Park. Additional funding will support the increased scope of the project, which included California Environment Quality Act review. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>			
Happy Hollow Park and Zoo Security Improvements	Parks, Recreation and Neighborhood Services	\$259,000	
<p>This action increases the Happy Hollow Park and Zoo Security Improvements appropriation by \$259,000, from \$65,000 to \$324,000. This funding will support upgrading all existing cameras with high resolution and night vision and installation of a dig proof barrier. The analog DVR, associated hardware, and cables will be replaced with a network video recorder. Seven wireless remote self-powered cameras will send direct messages with a live feed when triggered by motion, allowing staff real-time information for a rapid response. The additional funding also allows for the installation of a security fence around the perimeter of the park with a dig proof barrier in accordance with the Association of Zoos and Aquariums (AZA) accreditation guidelines and other minor related improvements. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>			
Family Camp Capital Improvements Reserve	Parks, Recreation and Neighborhood Services	\$82,000	
<p>This action increases the Family Camp Capital Improvements Reserve in the amount of \$82,000. This funding was collected in 2017-2018 from the surcharge on Family Camp reservations. This reserve provides partial funding for the future implementation of improvements identified in the Family Camp Master Plan. Beginning in 2012, a surcharge of \$20 per tent, per night has been collected to provide funding for future improvements at Family Camp. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>			
Ending Fund Balance Adjustment	Parks, Recreation and Neighborhood Services	\$(293,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>			
<b>Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL</b>		<hr/>	
<b>Subdivision Park Trust Fund (375)</b>			
Willow Glen Community Center Improvements	Parks, Recreation and Neighborhood Services	\$100,000	
<p>This action increases the Willow Glen Community Center Improvements appropriation in the Subdivision Park Trust Fund in the amount of \$100,000 (from \$30,000 to \$130,000) to support the increased project scope. This project provides funding to repair and replace the air conditioning and heating controls as well as install double pane windows in the main building at the community center. This additional funding will support the increased project cost and scope expansion, which includes case, trim, caulking, and painting interior windows. A corresponding decrease to the Willow Glen Community Center Plumbing Improvements appropriation is recommended elsewhere in this report to offset this action.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Subdivision Park Trust Fund (375)</b>			
Willow Glen Community Center Plumbing Improvements	Parks, Recreation and Neighborhood Services	\$(100,000)	
<p>This action decreases the Willow Glen Community Center Plumbing Improvements appropriation in the Subdivision Park Trust Fund in the amount of \$100,000 (from \$150,000 to \$50,000). This appropriation provides funding for the improvements to the existing plumbing system at the Willow Glen Community Center. This project has completed with a savings of \$100,000 that is recommended for reallocation to the Willow Glen Community Center Improvements project to support the enhancement to the community center patrons' comfort level regarding indoor temperature and to reduce energy costs. A corresponding increase to the Willow Glen Community Center Improvements appropriation to offset this action is recommended in this report.</p>			
Preliminary Studies - Turnkey Parks	Parks, Recreation and Neighborhood Services	\$50,000	
<p>This action re-establishes the Preliminary Studies - Turnkey Parks appropriation in the Subdivision Park Trust Fund in the amount of \$50,000 in 2018-2019 that should have been included in the 2018-2019 Adopted Capital Budget. This project provides ongoing funding for Public Works Department staff to research and provide design review, cost estimating, and related activities prior to implementation of turnkey projects. A corresponding decrease the Future PDO/PIO Projects Reserve to offset the action recommended in this report.</p>			
St. James Park Phase I Design	Parks, Recreation and Neighborhood Services	\$25,000	
<p>This action increases the St. James Park Phase I Design appropriation in the Subdivision Park Trust Fund by \$25,000 (from \$30,000 to \$55,000). Project elements include completion of the project scope, conducting a community input process, completing final design, and preparation of phased construction documents. Additional funds are necessary to produce California Environmental Quality Act-related technical reports and consultant costs. A corresponding decrease to the St. James Park Phase I Reserve is recommended in this report to offset this action.</p>			
Future PDO/PIO Projects Reserve	Parks, Recreation and Neighborhood Services	\$(619,000)	
<p>This action decreases the Future PDO/PIO Projects Reserve offset the actions recommended in this report.</p>			
Pueblo De Dios Reserve	Parks, Recreation and Neighborhood Services	\$15,000	
<p>This action increases the Pueblo de Dios Development Reserve appropriation in the Subdivision Park Trust Fund by \$15,000, from \$5,262,000 to \$5,277,000. This project provides funding for future development of a master plan, design and construction documents for the new Pueblo de Dios neighborhood park located at 3257 Payne Ave. in Council District 1. Project elements include playground, picnic area, open space, active areas, passive areas, community gardens, planting material, seating shade structure, and other site amenities. A corresponding decrease to the Future PDO/PIO Projects Reserve to offset this action is recommended in this report.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Subdivision Park Trust Fund (375)</b>			
St. James Park Phase I Reserve	Parks, Recreation and Neighborhood Services	\$(25,000)	
<p>This action decreases the St. James Park Phase I Reserve in the Subdivision Park Trust Fund in the amount of \$25,000, from \$4,206,000 to \$4,181,000. A corresponding increase to the St. James Park Phase I Design appropriation is recommended in this report to offset this action.</p>			
TRAIL: Thompson Creek (Quimby Rd-Aborn Ct) Reserve	Parks, Recreation and Neighborhood Services	\$554,000	
<p>This action establishes the TRAIL: Thompson Creek (Quimby Rd - Aborn Ct) Reserve appropriation in the Subdivision Park Trust Fund in the amount of \$554,000. This allocation sets aside funding to support the future construction of a paved trail along Thompson Creek from Quimby Road to Aborn Court. A corresponding decrease the Future PDO/PIO Projects Reserve to offset this action is recommended in this report.</p>			
<b>Subdivision Park Trust Fund (375) TOTAL</b>		<hr/>	
<b>Sewer Service and Use Charge Capital Improvement Fund (545)</b>			
Ending Fund Balance Adjustment	Public Works	\$309,000	
<p>This action increases the Ending Fund Balance of the Sewer Service and Use Charge Fund to offset the action recommended in this report.</p>			
Transfers and Reimbursements (Transfer from City Hall Debt Service Fund)	Public Works		\$309,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$309,000, from \$32,000,000 to \$32,309,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sewer Service and Use Charge Fund to the City Hall Debt Service Fund for its share of the debt service related to the construction of City Hall was over-allocated by \$309,000. This recommended action reimburses the Sewer Service and Use Charge Fund to correct for this error and is offset by an increase to the Ending Fund Balance.</p>			
<b>Sewer Service and Use Charge Capital Improvement Fund (545) TOTAL</b>		<hr/> \$309,000	\$309,000
<b>Sanitary Sewer Connection Fee Fund (540)</b>			
Ending Fund Balance Adjustment	Public Works	\$18,000	
<p>This action increases the Ending Fund Balance of the Sanitary Sewer Connection Fee Fund to offset the action recommended in this report.</p>			

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Sanitary Sewer Connection Fee Fund (540)</b>			
Transfers and Reimbursements (Transfer from City Hall Debt Service Fund)	Public Works		\$18,000

This action establishes a revenue estimate for Transfers and Reimbursements of \$18,000. A reconciliation of 2017-2018 transactions revealed that the transfer from the Sanitary Sewer Connection Fee Fund to the City Hall Debt Service Fund for its share of the debt service related to the construction of City Hall was over-allocated by \$18,000. This recommended action reimburses the Sanitary Sewer Connection Fee Fund to correct for this error and is offset by an increase to the Ending Fund Balance.

<b>Sanitary Sewer Connection Fee Fund (540) TOTAL</b>		<b>\$18,000</b>	<b>\$18,000</b>
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### Service Yards Construction and Conveyance Tax Fund (395)

VTA Property Lease	Public Works	\$5,000	
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This action increases the VTA Property Lease appropriation by \$5,000, from \$20,000 to \$25,000, to address the lease agreement costs for 2018-2019. The City currently leases 18,689 square feet of VTA property in front of Mabury Yard as additional storage space to store City street light poles. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.

Ending Fund Balance Adjustment	Public Works	\$(5,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

### Service Yards Construction and Conveyance Tax Fund (395) TOTAL

### Construction Excise Tax Fund (465)

Ending Fund Balance Adjustment	Finance	\$(500,000)	
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This actions decreases the Ending Fund Balance to offset the actions recommended in this report.

Pavement Maintenance - City	Transportation	\$359,000	
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This action increases the Pavement Maintenance - City appropriation by \$359,000. In accordance with previous City Council direction to allocate any additional Construction Excise Tax revenue above estimated amounts toward pavement maintenance. In 2017-2018, actual Construction Excise Tax receipts of \$29,359,000 exceeded the modified budget estimate of \$29,000,000. A corresponding decrease to the Ending Fund Balance is recommended in this report.

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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### Construction Excise Tax Fund (465)

Bike/Pedestrian Development	Transportation	\$90,000	
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This action increases the Bike/Pedestrian Development appropriation by \$90,000, from \$50,000 to \$140,000, for the grant funded Bike Rack Installation Project which will install 300 public bike racks and two Quad eLockers at popular destinations throughout San Jose. This project is funded by a Transportation Fund for Clean Air (TFCA) grant from the Valley Transportation Authority. No local match is required. A corresponding increase to the estimate for Revenue from Local Agencies is also recommended in this report.

Transportation Data, Forecasting and Analysis	Transportation	\$141,000	
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This action increases the Transportation Data, Forecasting and Analysis appropriation by \$141,000, from \$499,000 to \$640,000, for additional consultant services for the four-year major review of the Envision San Jose 2040 General Plan. The additional consultant services will provide on-call transportation planning and engineering services for the project. An offsetting reduction to the Ending Fund Balance is also recommended in this report.

Inter-Agency Encroachment Permit	Transportation	\$250,000	
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This action increases the Inter-Agency Encroachment Permit appropriation by \$250,000, from \$100,000 to \$350,000 to fund the large volume of encroachment permit and related inspection work performed by City staff for regional transportation projects impacting the City's right-of-way, including Bus Rapid Transit and BART. As the cost of this work is reimbursed by permit fees from the requesting governmental agencies, a corresponding increase to the estimate for Licenses and Permits is also included in this report.

Vision Zero: Multimodal Traffic Safety Education	Transportation	\$100,000	
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This action establishes the Vision Zero: Multimodal Traffic Safety Education appropriation in the amount of \$100,000 to implement best practice strategies to reduce the number of persons killed and injured in crashes involving pedestrians and bicyclists. The strategies may include classroom education, bicycle rodeos, community events, presentations, and workshops and will be conducted in communities with high numbers of pedestrian and/or bicycle related collisions including under-served communities, older adults, and school-aged children. The grant is being provided by the Office of Traffic Safety for the Vision Zero: Multimodal Traffic Safety Education project. No local match is required for this grant and a corresponding increase to the estimate for Revenue from Federal Government is recommended in this report.

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Revenue from the Local Agencies (Transportation Fund for Clean Air (TFCA) - Bike Rack Installation)	Transportation		\$90,000

This action increases the estimate for Revenue from Local Agencies by \$90,000 to recognize Transportation Fund for Clean Air (TFCA) grant funding from the Valley Transportation Authority and allocate to the Bike/Pedestrian Development appropriation for bike installation as described in this report.

Revenue from Federal Government (Vision Zero: Multimodal Traffic Safety Education)	Transportation		\$100,000
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This action increases the estimate for Revenue from Federal Government in the amount of \$100,000 to recognize grant funding from the Office of Traffic Safety for the Vision Zero: Multimodal Traffic Safety Education project established in this report.

Licenses and Permits (Inter-Agency Encroachment Permits)	Public Works		\$250,000
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This action increases the estimate for Licenses and Permits by \$250,000 to recognize the anticipated permit fee revenue related to the increase of Inter-Agency Encroachment Permit activity as described elsewhere in this report.

<b>Construction Excise Tax Fund (465) TOTAL</b>		<b>\$440,000</b>	<b>\$440,000</b>
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### **Building and Structure Construction Tax Fund (429)**

Ending Fund Balance Adjustment	Finance		\$(1,188,639)
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Autumn Street Extension	Transportation		\$163,000
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This action increases the Autumn Street Extension appropriation by \$163,000, from \$700,000 to \$863,000. This project currently provides funding to begin design and right-of-way acquisition for Phase II of the Autumn Street connection between Julian and Santa Clara Streets. In 2017-2018, funds were returned to the City that were previously expended for certain right-of-way acquisitions. Once reallocated, these funds will be used for additional land acquisition and underground utility costs related to the project. A corresponding decrease to the Ending Fund Balance is described elsewhere in this report.

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Building and Structure Construction Tax Fund (429)</b> Berryessa Urban Village Transportation Study	Transportation	\$300,000	

This action establishes the Berryessa Urban Village Transportation Study appropriation in the amount of \$300,000. This study will inform the Urban Village and Flea Market South planning efforts, providing clear direction for a balanced transportation system that advances implementation of the Envision San José 2040 General Plan and the Urban Village goals for the area by improving access for all modes in ways that complement urban design. A corresponding action to decrease the Route 101/Oakland/Mabury New Development Reserve is recommended in this report to offset this action.

Transportation Data, Forecasting and Analysis	Transportation	\$31,000	
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This action increases the Transportation Data, Forecasting and Analysis appropriation by \$31,000, from \$985,000 to \$1.0 million, for additional consultant services for the four-year major review of the Envision San José 2040 General Plan. These services will provide on-call transportation planning and engineering services for the project. An offsetting reduction to the Ending Fund Balance is also recommended in this report.

North San José New Development Reserve	Transportation	\$259,970	
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This action increases the North San José New Development Reserve by \$259,970, from \$4,720,825 to \$4,980,795. In accordance with previous City Council direction, Building and Structure Construction Excise Tax revenue generated in North San José are placed into a reserve to help fund future transportation infrastructure projects in accordance with the North San José Area Development Policy. After a reconciliation of Building and Structure Construction Tax revenue received in 2017-2018, an additional \$259,970 above the amount assumed in 2018-2019 Adopted Capital Budget was determined to be generated from North San José development. A corresponding decrease the Ending Fund Balance is recommended in this report.



## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Building and Structure Construction Tax Fund (429)</b> Route 101/Oakland/Mabury New Development Reserve	Transportation	\$434,669	

This action increases the Route 101/Oakland/Mabury New Development Reserve by a net amount of in the amount of \$434,669, from \$2,562,017 to \$2,996,686. This reflects an increase of \$734,669 to allocate additional Building and Structure Construction Tax proceeds generated in 2017-2018 from new development in the Route 101/Oakland/Mabury Area, partially offset by a reduction of \$300,000 to this reserve to fund the establishment of the Berryessa Urban Village Transportation Study as described elsewhere in this report. In accordance with previous City Council direction, Building and Structure Construction Tax revenue generated in the Route 101/Oakland/Mabury Area is placed into a reserve to help fund future transportation infrastructure projects in that area. After a reconciliation of Building and Structure Construction Tax revenue received in 2017-2018, an additional \$734,669 above the amount assumed in the 2018-2019 Adopted Capital Budget was determined to be generated from Route 101/Oakland/Mabury Development. A corresponding decrease to the Ending fund Balance is recommended in this report.

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### Building and Structure Construction Tax Fund (429) TOTAL

#### San José-Santa Clara Treatment Plant Capital Fund (512)

SBWR Extension	Environmental Services	\$(3,691,000)	
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This action eliminates funding for the South Bay Water Recycling (SBWR) Extension in the amount of \$3,691,000. These funds are recommended to be transferred to the South Bay Water Recycling Plant Capital Fund as described elsewhere in this report.

Transfer to the South Bay Water Recycling Capital Fund	Environmental Services	\$3,691,000	
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This action establishes a Transfer to the South Bay Water Recycling Capital Fund in the amount of \$3,691,000. The South Bay Water Recycling Capital Fund has been established with the goal of effectively organizing the funding of capital projects related to the South Bay Water Recycling Program. Corresponding actions to offset this transfer and recognize the receipt of transfer revenue within the South Bay Water Recycling Capital Fund are recommended elsewhere in this report.

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### San José-Santa Clara Treatment Plant Capital Fund (512) TOTAL

## Capital Funds Recommended Budget Adjustments Summary 2017-2018 Annual Report

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>South Bay Water Recycling Capital Fund (571)</b>			
Hydraulic Capacity Engineering	Environmental Services	\$25,000	
<p>This action establishes the Hydraulic Capacity Engineering project in the South Bay Water Recycling Capital Fund in the amount of \$25,000. These funds will support the design, engineering, and inspection of the connection of new developments to the recycled water utility system. This action is offset by an increased transfer from the San José-Santa Clara Treatment Plant Capital Fund recommended elsewhere in this report.</p>			
Hydraulic Capacity Enhancements Reserve	Environmental Services	\$3,666,000	
<p>This action establishes the Hydraulic Capacity Enhancements Reserve in the South Bay Water Recycling Capital Fund in the amount of \$3,666,000. This reserve is dedicated to future hydraulic capacity enhancements, design, engineering, and inspection costs related to the South Bay water recycling system. This action is supported by a transfer from the San José-Santa Clara Treatment Plant Capital Fund recommended elsewhere in this report.</p>			
Transfers and Reimbursements (Transfer from San José-Santa Clara Treatment Plant Capital Fund)	Environmental Services		\$3,691,000
<p>This action establishes a revenue estimate for Transfers and Reimbursements from the San José-Santa Clara Treatment Plant Capital Fund in the amount of \$3,691,000. This action establishes the first revenue for the South Bay Water Recycling Capital Fund, which will be used to effectively track capital expenditures related directly to the South Bay Water Recycling Plant. Actions to allocate this full amount within the newly established fund are recommended elsewhere in this report.</p>			
<b>South Bay Water Recycling Capital Fund (571) TOTAL</b>		<b>\$3,691,000</b>	<b>\$3,691,000</b>

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
<b>DEPARTMENTAL EXPENSES</b>							
City Attorney's Office	Rebudget: Non-Personal/Equipment (Electronic Information Document Review and Production Software)	-	\$30,000	\$30,000	-	-	\$30,000
Office of the City Manager	Required Technical-Rebalancing Actions	\$153,000	-	\$153,000	-	-	\$153,000
	Personal Services (Reallocate 1.0 Executive Analyst to Office of Economic Development)	(\$150,000)	-	(\$150,000)	-	-	(\$150,000)
	Personal Services (Reallocation to Non-Personal/Equipment for Census 2020)	(\$140,000)	-	(\$140,000)	-	-	(\$140,000)
	Non-Personal/Equipment (Reallocation to Personal Services for Temporary Staffing)	-	(\$153,000)	(\$153,000)	-	-	(\$153,000)
	Non-Personal/Equipment (Reallocation from Personal Services for Census 2020)	-	\$140,000	\$140,000	-	-	\$140,000
Office of the City Manager	Rebudget: Non-Personal/Equipment (Office Remodel)	-	\$60,662	\$60,662	-	-	\$60,662
	Rebudget: Non-Personal/Equipment (Office of Immigrant Affairs)	-	\$50,000	\$50,000	-	-	\$50,000
City Manager - Office of Economic Development	Required Technical-Rebalancing Actions	(\$361,832)	-	(\$361,832)	-	-	(\$361,832)
	Personal Services (Funding Reallocation)	\$361,832	-	\$361,832	-	-	\$361,832
	Personal Services (Reallocate 1.0 Executive Analyst from City Manager's Office)	\$150,000	-	\$150,000	-	-	\$150,000

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST		
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance			
<b>DEPARTMENTAL EXPENSES</b>									
City Manager - Office of Economic Development									
	Rebudgets		Rebudget: Non Personal/Equipment (Public Art/Placemaking)	-	\$5,000	\$5,000	-	-	\$5,000
			Rebudget: Non Personal/Equipment (Business Outreach and Assistance)	-	\$50,000	\$50,000	-	-	\$50,000
Environmental Services Department									
	Required Technical-Rebalancing Actions		Personal Services (Climate Smart)	\$50,000	-	\$50,000	-	-	\$50,000
Environmental Services Department									
	Rebudgets		Rebudget: Personal Services (City Energy Project Grant)	\$1,539	-	\$1,539	-	-	\$1,539
			Rebudget: Non-Personal/Equipment (San José Environmental Sustainability Plan)	-	\$45,000	\$45,000	-	-	\$45,000
Fire Department									
	Urgent Fiscal-Program Needs		Active Shooter Training	\$532,000	-	\$532,000	-	-	\$532,000
Fire Department									
	Required Technical-Rebalancing Actions		Non-Personal/Equipment (City Matching Funds for Fire Prevention and Safety Grant - FEMA)	-	\$3,667	\$3,667	-	-	\$3,667
Fire Department									
	Grants-Reimbursements-Fees		Non-Personal/Equipment/Revenue from Federal Government (SHSGP Grant for Training)	-	\$11,400	\$11,400	\$11,400	-	-
			Non-Personal/Equipment/Revenue from Federal Government (SHSGP Grant for Water Rescue Related Equipment)	-	\$74,400	\$74,400	\$74,400	-	-
			Personal Services/Revenue from Federal Government (SHSGP Grant for BART Active Shooter Exercise)	\$3,111	-	\$3,111	\$3,111	-	-

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE	NET COST
		Personal Services	Non-Personal/Equipment		Revenue	
<b>DEPARTMENTAL EXPENSES</b>						
Fire Department	Non-Personal/Equipment/Revenue from Federal Government (Fire Prevention and Safety Grant - FEMA)	-	\$73,354	\$73,354	\$73,354	-
Rebudgets	Rebudget: Personal Services (Data Analyst - IT Support for EMS)	\$200,693	-	\$200,693	-	\$200,693
Information Technology Department	Rebudget: Non-Personal/Equipment (ARFF Training)	-	\$20,000	\$20,000	-	\$20,000
Required Technical-Rebalancing Actions	Non-Personal/Equipment (Technology Equipment Replacement to Converged or Hyper-Converged Infrastructure)	-	\$504,000	\$504,000	-	\$504,000
Mayor & City Council	Council District #01/Other Revenue (Special Event Sponsorship)	\$2,640	-	\$2,640	\$2,640	-
Grants-Reimbursements-Fees	Council District #02/Other Revenue (Special Event Sponsorship)	\$9,900	-	\$9,900	\$9,900	-
	Council District #05/Other Revenue (Special Event Sponsorship)	\$15,750	-	\$15,750	\$15,750	-
	Council District #06/Other Revenue (Special Event Sponsorship)	\$500	-	\$500	\$500	-
	Council District #08/Other Revenue (Special Event Sponsorship)	\$100	-	\$100	\$100	-
	Council District #09/Other Revenue (Special Event Sponsorship)	\$11,800	-	\$11,800	\$11,800	-
	Office of the Mayor/Other Revenue (Harvard and Service Year Grants)	\$95,000	-	\$95,000	\$95,000	-
Mayor & City Council	Tech Adjust: Council District #05 (Reallocation from Council District #05 (January - June))	\$521,122	-	\$521,122	-	\$521,122
Clean-Up Actions	Tech Adjust: Council District #05 (January - June) (Reallocation to Council District #05)	(\$521,122)	-	(\$521,122)	-	(\$521,122)
	Tech Adjust: Office of the Mayor (Reallocation from Office of the Mayor (January - June))	\$2,434,779	-	\$2,434,779	-	\$2,434,779

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal		USE			SOURCE	NET COST	
		Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
<b>DEPARTMENTAL EXPENSES</b>							
	Tech Adjust: Office of the Mayor (January - June) (Reallocation to Office of the Mayor)	(\$2,434,779)	-	(\$2,434,779)	-	-	(\$2,434,779)
Mayor & City Council							
	Rebudgets						
	Rebudget: Council District #01	\$20,769	-	\$20,769	-	-	\$20,769
	Rebudget: Council District #02	\$21,652	-	\$21,652	-	-	\$21,652
	Rebudget: Council District #03	\$34,415	-	\$34,415	-	-	\$34,415
	Rebudget: Council District #04	\$6,589	-	\$6,589	-	-	\$6,589
	Rebudget: Council District #05	\$47,728	-	\$47,728	-	-	\$47,728
	Rebudget: Council District #06	\$41,997	-	\$41,997	-	-	\$41,997
	Rebudget: Council District #07	(\$169)	-	(\$169)	-	-	(\$169)
	Rebudget: Council District #07 (January - June)	(\$168)	-	(\$168)	-	-	(\$168)
	Rebudget: Council District #08	\$34,651	-	\$34,651	-	-	\$34,651
	Rebudget: Council District #09	\$36,387	-	\$36,387	-	-	\$36,387
	Rebudget: Council District #09 (January - June)	\$36,388	-	\$36,388	-	-	\$36,388
	Rebudget: Council District #10	\$4,842	-	\$4,842	-	-	\$4,842
	Rebudget: Council General	\$1,943	-	\$1,943	-	-	\$1,943
	Rebudget: Office of the Mayor	\$319,037	-	\$319,037	-	-	\$319,037
Parks, Recreation and Neighborhood Services Department							
	Required Technical-Rebalancing Actions						
	Personal Services (St. James Placemaking - reallocation of funding to St. James Park Management District Fund)	(\$12,165)	-	(\$12,165)	-	-	(\$12,165)
Parks, Recreation and Neighborhood Services Department							
	Grants-Reimbursements-Fees						
	Fee Activities/Other Revenue (Sponsorships)	-	\$12,000	\$12,000	\$12,000	-	-

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST		
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance			
<b>DEPARTMENTAL EXPENSES</b>									
Parks, Recreation and Neighborhood Services Department									
	Rebudgets		Rebudget: Non-Personal/Equipment (Grace Homeless Shower Program)	-	\$68,000	\$68,000	-	-	\$68,000
			Rebudget: Non-Personal/Equipment (Capitol Park Exercise Area)	-	\$75,000	\$75,000	-	-	\$75,000
			Rebudget: Non-Personal/Equipment (Senior Health and Wellness Program)	-	\$32,104	\$32,104	-	-	\$32,104
Planning, Building and Code Enforcement Department									
	Required Technical-Rebalancing Actions		Non-Personal/Equipment (Reallocation from Personal Services for Temporary Staffing)	-	\$60,160	\$60,160	-	-	\$60,160
			Personal Services (Reallocation to Non-Personal/Equipment for Temporary Staffing)	(\$60,160)	-	(\$60,160)	-	-	(\$60,160)
Police Department									
	Required Technical-Rebalancing Actions		Personal Services (Overtime)	\$4,000,000	-	\$4,000,000	-	-	\$4,000,000
Public Works Department									
	Grants-Reimbursements-Fees		Public Works Development Fee Program - Small Cell Permitting Personal Services	\$866,352	-	\$866,352	-	-	\$866,352
			Public Works Development Fee Program - Small Cell Permitting Non-Personal/Equipment	-	\$87,500	\$87,500	-	-	\$87,500
			Public Works Development Fee Program - Personal Services	(\$866,352)	-	(\$866,352)	-	-	(\$866,352)
			Public Works Development Fee Program - Non-Personal/Equipment	-	(\$87,500)	(\$87,500)	-	-	(\$87,500)
Public Works Department									
	Clean-Up Actions		Tech Adjust: Public Works Development Fee Program - Small Cell Permitting Personal Services	\$1,070,000	-	\$1,070,000	-	-	\$1,070,000

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
<b>DEPARTMENTAL EXPENSES</b>							
Transportation Department	Tech Adjust: Public Works Development Fee Program - Small Cell Permitting Non-Personal/Equipment	-	\$260,000	\$260,000	-	-	\$260,000
Transportation Department	Clean-Up Actions	\$220,000	-	\$220,000	-	-	\$220,000
Transportation Department	Rebudgets						
	Rebudget: Non-Personal/Equipment (Tree Maintenance Financial Hardship Assistance Program)	-	\$60,000	\$60,000	-	-	\$60,000
	Rebudget: Non-Personal/Equipment (Sidewalk Repair Financial Hardship Assistance Program)	-	\$5,000	\$5,000	-	-	\$5,000
	<b>DEPARTMENTAL EXPENSES TOTAL</b>	<b>\$6,759,769</b>	<b>\$1,486,747</b>	<b>\$8,246,516</b>	<b>\$309,955</b>	<b>-</b>	<b>\$7,936,561</b>
<b>CITY-WIDE EXPENSES</b>							
Required Technical-Rebalancing Actions	Workers' Compensation Claims System	-	\$145,000	\$145,000	-	-	\$145,000
	Elections and Ballot Measures	-	\$470,000	\$470,000	-	-	\$470,000
	Urban Areas Security Initiative Grant – Police 2017	-	(\$105,000)	(\$105,000)	-	-	(\$105,000)
	BeautifySJ Litter Pilot	-	\$200,000	\$200,000	-	-	\$200,000
Grants-Reimbursements-Fees	Library Grants/Revenue from State of California	-	\$18,000	\$18,000	\$18,000	-	-
	Selective Traffic Enforcement Program 2018-2019/Revenue from Federal Government	-	\$250,000	\$250,000	\$250,000	-	-
	After School Education and Safety Program for 2018-2019/Revenue from Local Agencies	-	\$431,064	\$431,064	\$431,064	-	-



General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal	Personal Services	USE		Total Use	SOURCE Revenue	NET COST		
		Non-Personal/ Equipment	Beg Fund Balance					
<b>CITY-WIDE EXPENSES</b>								
		Summer Youth Nutrition Program/Revenue from Federal Government	-	\$58,473	\$58,473	\$58,473	-	-
		State Homeland Security Grant Program/Revenue from Federal Government	-	\$115,296	\$115,296	\$115,296	-	-
		San José End of Watch Police Memorial/Other Revenue	-	\$33,000	\$33,000	\$33,000	-	-
Clean-Up Actions		Tech Adjust: Contractual Street Tree Planting (Reconciliation)	-	\$100,698	\$100,698	-	-	\$100,698
		Tech Adjust: Certified Access Specialist Program (Reconciliation)	-	\$105,699	\$105,699	-	-	\$105,699
		Tech Adjust: Government Access - Capital Expenditures (Reconciliation)	-	(\$26,273)	(\$26,273)	-	-	(\$26,273)
		Tech Adjust: 4th Street Garage Banquet Facility Maintenance and Operations (Reconciliation)	-	\$10,305	\$10,305	-	-	\$10,305
Rebudgets		Rebudget: General Liability Claims	-	\$1,980,000	\$1,980,000	-	-	\$1,980,000
		Rebudget: Arena Community Fund	-	\$47,790	\$47,790	-	-	\$47,790
		Rebudget: City Manager Special Projects (Reallocation from City Manager's Office Non-Personal/Equipment)	-	\$125,000	\$125,000	-	-	\$125,000
		Rebudget: Burrowing Owl Habitat Management	-	\$1,145	\$1,145	-	-	\$1,145
		Rebudget: Business Tax System Replacement	-	\$80,000	\$80,000	-	-	\$80,000

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal	USE		Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
<b>CITY-WIDE EXPENSES</b>						
Rebudget: Silicon Valley Communication Foundation Strengthening Community Relations Project	-	\$4,299	\$4,299	-	-	\$4,299
Rebudget: San José BEST and Safe Summer Initiative Programs	-	\$27,367	\$27,367	-	-	\$27,367
Rebudget: False Claims Act Litigation Settlement	-	\$287,474	\$287,474	-	-	\$287,474
Rebudget: City Council District #2 Participatory Budgeting - Calpine Settlement	-	(\$9,028)	(\$9,028)	-	-	(\$9,028)
Rebudget: Property Assessed Clean Energy (PACE) Program	-	\$29,000	\$29,000	-	-	\$29,000
Rebudget: Financial Management System Upgrade	-	\$16,000	\$16,000	-	-	\$16,000
Rebudget: City Council District Participatory Budgeting - Council District #3	-	(\$67,827)	(\$67,827)	-	-	(\$67,827)
Rebudget: Information Technology Desktop Modernization	-	(\$4,000)	(\$4,000)	-	-	(\$4,000)
Rebudget: Library Grants	-	\$3,292	\$3,292	-	-	\$3,292
Rebudget: City Council District Participatory Budgeting - Council District #5	-	(\$37,383)	(\$37,383)	-	-	(\$37,383)
Rebudget: Ballot Measure Polling	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: Silicon Valley Energy Watch (SVEW) 2016-2018/Other Revenue	-	\$760,905	\$760,905	\$812,227	-	(\$51,322)
Rebudget: Certified Access Specialist (CASp) Program - ADA Compliance	-	\$63,430	\$63,430	-	-	\$63,430

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report

Department/Proposal	USE			SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance
<b>CITY-WIDE EXPENSES</b>					
Rebudget: Elections and Ballot Measures	-	\$354,000	\$354,000	-	\$354,000
Rebudget: City Outreach and Education Efforts	-	\$20,000	\$20,000	-	\$20,000
Rebudget: Talent Recruitment Initiative	-	(\$39,000)	(\$39,000)	-	(\$39,000)
Rebudget: Hospital Intervention Program – CalOES Grant (2018)/Revenue from State of California	-	\$66,500	\$66,500	\$66,500	-
Rebudget: Youth Commission	-	\$5,000	\$5,000	-	\$5,000
Rebudget: Family College Success Center	-	\$50,000	\$50,000	-	\$50,000
Rebudget: Advanced Funding for Voluntary Employees Beneficiary Association (VEBA) Plan	-	(\$91,458)	(\$91,458)	-	(\$91,458)
Rebudget: Broadband and Digital Inclusion Strategy	-	\$52,297	\$52,297	-	\$52,297
Rebudget: Public Works Unfunded Projects	-	\$133,000	\$133,000	-	\$133,000
Rebudget: City Manager Special Projects	-	\$7,000	\$7,000	-	\$7,000
Rebudget: Urban Areas Security Initiative Grant – Police 2016/Revenue from Federal Government	-	(\$12,567)	(\$12,567)	(\$12,567)	-
Rebudget: Maddie Lifesaving Grant	-	\$7,249	\$7,249	-	\$7,249
Rebudget: Organizational Effectiveness	-	(\$8,000)	(\$8,000)	-	(\$8,000)
Rebudget: State Homeland Security Grant Program/Revenue from Federal Government	-	\$6,509	\$6,509	\$7,058	(\$549)

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal	USE			SOURCE	NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
<b>CITY-WIDE EXPENSES</b>						
Rebudget: Energy Utility Conservation Measures Program	-	(\$626,000)	(\$626,000)	-	-	(\$626,000)
Rebudget: Government Access - Capital Expenditures	-	\$231,789	\$231,789	-	-	\$231,789
Rebudget: Internet Crimes Against Children Federal Grant 2016-2018/Revenue from Federal Government	-	\$1,921	\$1,921	\$1,921	-	-
Rebudget: Expedited Purified Water Program	-	(\$31,648)	(\$31,648)	-	-	(\$31,648)
Rebudget: 2016 County Victim Services Program/Revenue from State of California	-	(\$438)	(\$438)	\$11,298	-	(\$11,736)
Rebudget: Contractual Street Tree Planting	-	(\$11,570)	(\$11,570)	-	-	(\$11,570)
Rebudget: City Law Enforcement Grant 2016-2017/Revenue from State of California	-	(\$17,714)	(\$17,714)	-	-	(\$17,714)
Rebudget: Selective Traffic Enforcement Program 2017-2018/Revenue from State of California	-	(\$9,092)	(\$9,092)	(\$9,092)	-	-
Rebudget: 2017 Flood - Building Permit and Inspection Fee Waivers	-	\$50,000	\$50,000	-	-	\$50,000
Rebudget: Internet Crimes Against Children Task Force Invited Awards/Revenue from Federal Government	-	(\$26,692)	(\$26,692)	(\$26,692)	-	-
Rebudget: Historic Preservation	-	(\$31,413)	(\$31,413)	-	-	(\$31,413)
Rebudget: Urban Areas Security Initiative Grant – Police 2017/Revenue from Federal Government	-	(\$199,944)	(\$199,944)	(\$149,453)	-	(\$50,491)

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal	USE		Total Use	SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment		Revenue	
<b>CITY-WIDE EXPENSES</b>					
Rebudget: PEG - CreaTV	-	\$52,486	\$52,486	-	\$52,486
Rebudget: Northern California Regional Intelligence Center SUASI – Police 2017/Revenue from Federal Government	-	(\$59,077)	(\$59,077)	(\$59,077)	-
Rebudget: Hazardous Materials Consent Judgement	-	\$28,794	\$28,794	-	\$28,794
Rebudget: Blossom Hill Road Sound Wall - Assessment District Administration	-	\$20,000	\$20,000	-	\$20,000
Rebudget: Urban Areas Security Initiative Grant - OEM 2017	-	(\$378)	(\$378)	-	(\$378)
Rebudget: Park and Open Street Activation - Council District #08	-	(\$8,911)	(\$8,911)	-	(\$8,911)
Rebudget: PG&E Summer Cooling Shelter Program Grant	-	(\$1,102)	(\$1,102)	-	(\$1,102)
Rebudget: San José End of Watch Police Memorial	-	(\$815)	(\$815)	-	(\$815)
Rebudget: Storefront Activation Grant Program	-	\$30,000	\$30,000	-	\$30,000
Rebudget: San José Creates and Connects	-	\$135,000	\$135,000	-	\$135,000
Rebudget: Diridon Station Area Development Planning	-	(\$15,726)	(\$15,726)	-	(\$15,726)
Rebudget: East San José Business Improvement District	-	\$36,000	\$36,000	-	\$36,000
Rebudget: BART Public Art Design/Revenue from Local Agencies	-	\$13,495	\$13,495	\$12,806	\$689
Rebudget: SAP Center Renegotiation	-	(\$1,000)	(\$1,000)	-	(\$1,000)
Rebudget: San Jose Regional Transportation Hub Project	-	(\$57,393)	(\$57,393)	\$117,700	(\$175,093)

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal	USE			SOURCE	NET COST		
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance		
<b>CITY-WIDE EXPENSES</b>							
	Rebudget: Economic Development Pre-Development Activities	-	\$4,000	\$4,000	-	-	\$4,000
	Rebudget: Cultural Affairs Special Project	-	\$3,823	\$3,823	-	-	\$3,823
	Rebudget: Manufacturing Jobs Initiative	-	\$113,000	\$113,000	-	-	\$113,000
	Rebudget: San José Works: Youth Jobs Initiative	-	\$89,000	\$89,000	-	-	\$89,000
	Rebudget: 4th Street Garage Banquet Facility Maintenance and Operations	-	(\$12,279)	(\$12,279)	-	-	(\$12,279)
	Rebudget: Neighborhood Business Districts	-	\$50,000	\$50,000	-	-	\$50,000
	Rebudget: Japantown Creative Center for the Arts Transportation Improvements	-	\$400,000	\$400,000	-	-	\$400,000
	Rebudget: Business Improvement District Creation	-	\$100,000	\$100,000	-	-	\$100,000
	Rebudget: Mexican Heritage Plaza Capital Maintenance	-	\$50,000	\$50,000	-	-	\$50,000
	<b>CITY-WIDE EXPENSES TOTAL</b>	-	<b>\$6,062,372</b>	<b>\$6,062,372</b>	<b>\$1,678,462</b>	-	<b>\$4,383,910</b>
<b>CAPITAL PROJECT EXPENSES</b>							
Required Technical-Rebalancing Actions	Vietnamese-American Community Center Planning and Fundraising	-	\$16,000	\$16,000	-	-	\$16,000
	Pavement Maintenance Program	-	\$1,325,000	\$1,325,000	-	-	\$1,325,000
	City Hall HVAC Control System Replacement	-	\$1,200,000	\$1,200,000	-	-	\$1,200,000
	City Hall Network Operations Center Electrical Switch Replacement	-	\$3,000,000	\$3,000,000	-	-	\$3,000,000

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report

Department/Proposal		USE		Total Use	SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
<b>CAPITAL PROJECT EXPENSES</b>							
Clean-Up Actions	Tech Adjust: Portable Emergency Mass Warning System (Reallocation to City Manager's Office)	-	(\$6,000)	(\$6,000)	-	-	(\$6,000)
Rebudgets	Tech Adjust: Portable Emergency Mass Warning System (Reallocation from Fire Department)	-	\$6,000	\$6,000	-	-	\$6,000
	Rebudget: Animal Care and Services - Various Improvements	-	\$121,000	\$121,000	-	-	\$121,000
	Rebudget: Animal Care and Services Waterproofing	-	(\$70,000)	(\$70,000)	-	-	(\$70,000)
	Rebudget: Fire Apparatus Replacement	-	\$1,363,000	\$1,363,000	-	-	\$1,363,000
	Rebudget: Arena Repairs	-	\$54,000	\$54,000	-	-	\$54,000
	Rebudget: City Hall HVAC Control System Replacement	-	(\$71,000)	(\$71,000)	-	-	(\$71,000)
	Rebudget: Emergency Vehicle Preemption Service	-	\$61,000	\$61,000	-	-	\$61,000
	Rebudget: City Hall Network Operations Center Electrical Switch Replacement	-	(\$31,000)	(\$31,000)	-	-	(\$31,000)
	Rebudget: City Hall Rotunda Lighting	-	(\$3,000)	(\$3,000)	-	-	(\$3,000)
	Rebudget: Vietnamese-American Community Center Planning and Fundraising	-	\$57,000	\$57,000	-	-	\$57,000
	Rebudget: City Hall Waterproofing	-	(\$10,000)	(\$10,000)	-	-	(\$10,000)
	Rebudget: Kelley House Demolition	-	\$28,000	\$28,000	-	-	\$28,000
	Rebudget: Family-Friendly City Facilities	-	(\$6,000)	(\$6,000)	-	-	(\$6,000)

General Fund  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	USE			SOURCE	NET COST	
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance	
<b>CAPITAL PROJECT EXPENSES</b>						
Rebudget: Shirakawa Community Center Tenant Improvements	-	\$10,000	\$10,000	-	-	\$10,000
Rebudget: Police Administration Building Fencing - Employee Parking Lot Perimeter	-	(\$6,000)	(\$6,000)	-	-	(\$6,000)
Rebudget: Police Communications Center Elevator Retrofit	-	(\$3,000)	(\$3,000)	-	-	(\$3,000)
Rebudget: Police Communications Emergency Uninterrupted Power Supply	-	(\$16,000)	(\$16,000)	-	-	(\$16,000)
Rebudget: Police Communications Fire Protection System Upgrade	-	\$100,000	\$100,000	-	-	\$100,000
Rebudget: South San José Police Substation (Activation)	-	(\$1,000)	(\$1,000)	-	-	(\$1,000)
Rebudget: San José Municipal Stadium Improvements	-	\$26,000	\$26,000	-	-	\$26,000
Rebudget: Unanticipated/Emergency Maintenance	-	\$206,000	\$206,000	-	-	\$206,000
Rebudget: African American Community Services Center Improvements	-	(\$293,000)	(\$293,000)	-	-	(\$293,000)
Rebudget: Animal Care and Services Washer / Dryer Replacement	-	(\$20,000)	(\$20,000)	-	-	(\$20,000)
Rebudget: Plaza de Cesar Chavez Stage Canopy	-	\$4,000	\$4,000	-	-	\$4,000
Rebudget: Children's Discovery Museum Carpet Replacement	-	(\$48,000)	(\$48,000)	-	-	(\$48,000)
Rebudget: Hammer Theatre Center Exterior Stucco Repairs	-	(\$100,000)	(\$100,000)	-	-	(\$100,000)



General Fund  
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Department/Proposal	USE			SOURCE Revenue	NET COST Beg Fund Balance
	Personal Services	Non-Personal/ Equipment	Total Use		
<b>CAPITAL PROJECT EXPENSES</b>					
Rebudget: Hammer Theatre Center HVAC Controls	-	(\$20,000)	(\$20,000)	-	(\$20,000)
Rebudget: Hammer Theatre Center Upgrades	-	(\$130,000)	(\$130,000)	-	(\$130,000)
Rebudget: Hammer Theatre Center Miscellaneous HVAC & Electrical Upgrades	-	(\$194,000)	(\$194,000)	-	(\$194,000)
Rebudget: History San José - Pacific Hotel - Fire and Intrusion Alarm	-	(\$85,000)	(\$85,000)	-	(\$85,000)
Rebudget: Mexican Heritage Plaza HVAC System Components Upgrades	-	(\$23,000)	(\$23,000)	-	(\$23,000)
Rebudget: San José Museum of Art HVAC Controls Upgrades	-	(\$5,000)	(\$5,000)	-	(\$5,000)
Rebudget: San José Museum of Art Restrooms Remodel	-	(\$100,000)	(\$100,000)	-	(\$100,000)
Rebudget: San José Museum of Art Roof Replacement	-	(\$81,000)	(\$81,000)	-	(\$81,000)
Rebudget: Super Bowl 50 - San José Museum of Art Sign Replacement	-	(\$27,000)	(\$27,000)	-	(\$27,000)
Rebudget: The Tech Museum Controls Module Improvements	-	(\$13,000)	(\$13,000)	-	(\$13,000)
Rebudget: Arc Flash Hazard Analysis	-	(\$1,000)	(\$1,000)	-	(\$1,000)
Rebudget: City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance	-	(\$67,000)	(\$67,000)	-	(\$67,000)
Rebudget: City-wide Building Assessment	-	\$88,000	\$88,000	-	\$88,000
Rebudget: Police Fleet Management System	-	\$30,000	\$30,000	-	\$30,000

General Fund  
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Department/Proposal		USE		Total Use	SOURCE		NET COST
		Personal Services	Non-Personal/ Equipment		Revenue	Beg Fund Balance	
<b>CAPITAL PROJECT EXPENSES</b>							
	Rebudget: History San José Indoor Programming	-	(\$25,000)	(\$25,000)	-	-	(\$25,000)
	Rebudget: History San José - Minor Renovations	-	\$9,000	\$9,000	-	-	\$9,000
	<b>CAPITAL PROJECT EXPENSES TOTAL</b>	-	<b>\$6,249,000</b>	<b>\$6,249,000</b>	-	-	<b>\$6,249,000</b>
<b>EARMARKED RESERVES</b>							
Required Technical-Rebalancing Actions	Building Development Fee Program Reserve	-	\$597,980	\$597,980	-	-	\$597,980
	San José Environmental Sustainability Program Reserve	-	(\$50,000)	(\$50,000)	-	-	(\$50,000)
	Contingency Reserve	-	\$500,000	\$500,000	-	-	-
	Budget Stabilization Reserve	-	\$700,000	\$700,000	-	-	\$700,000
Clean-Up Actions	Development Fee Program Reconciliation - Building Development Fee Program Reserve	-	\$3,090,725	\$3,090,725	-	-	\$3,090,725
	Development Fee Program Reconciliation - Planning Development Fee Program Reserve	-	\$473,791	\$473,791	-	-	\$473,791
	Tech Adjust: Artificial Turf Capital Replacement Reserve (Reconciliation)	-	\$137,000	\$137,000	-	-	\$137,000
	Development Fee Program Reconciliation - Fire Development Fee Program Reserve	-	\$343,000	\$343,000	-	-	\$343,000
	Tech Adjust: General Plan Update Reserve (Reconciliation)	-	\$59,215	\$59,215	-	-	\$59,215

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	USE			SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance
<b>EARMARKED RESERVES</b>					
		Development Fee Program Reconciliation - Public Works			
	-	\$1,523,977	\$1,523,977	-	- \$1,523,977
		Development Fee Program Reserve			
	-	\$374,189	\$374,189	-	- \$374,189
		Development Fee Program Reconciliation - Public Works			
	-	\$1,700,000	(\$1,700,000)	-	- (\$1,700,000)
		Development Fee Program - Small Cell Permitting Reserve			
	-	(\$5,371,389)	(\$5,371,389)	-	- (\$5,371,389)
Rebudgets		Rebudget: Building Development Fee Program Reserve			
	-	(\$540,415)	(\$540,415)	-	- (\$540,415)
		Rebudget: Fire Development Fee Program Reserve			
	-	\$820	\$820	-	- \$820
		Rebudget: Fiscal Reform Plan Implementation Reserve			
	-	(\$65,000)	(\$65,000)	-	- (\$65,000)
<b>EARMARKED RESERVES TOTAL</b>					
	-	\$73,893	\$73,893	-	- (\$426,107)
<b>TRANSFERS</b>					
Required Technical-Rebalancing Actions		Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)			
	-	\$273,291	\$273,291	-	- \$273,291
<b>TRANSFERS TOTAL</b>					
	-	\$273,291	\$273,291	-	- \$273,291
<b>REVENUE ADJUSTMENTS</b>					
Required Technical-Rebalancing Actions		Sales Tax			
	-	-	-	\$5,000,000	- (\$5,000,000)

General Fund  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	USE			SOURCE	NET COST						
	Personal Services	Non-Personal/ Equipment	Total Use	Revenue	Beg Fund Balance						
<b>REVENUE ADJUSTMENTS</b>											
		Transfers and Reimbursements (Late Fees from Water Utility Fund)	-	-	-	\$91,770	-	(\$91,770)			
		Transfers and Reimbursements (Overhead Rate Adjustments)	-	-	-	(\$2,093,847)	-	\$2,093,847			
Clean-Up Actions		Fund Balance Reconciliation	-	-	-	-	\$15,654,983	(\$15,654,983)			
		Tech Adjust: Fees, Rates, and Charges (Small Cell Permitting)	-	-	-	(\$150,000)	-	\$150,000			
Rebudgets		Rebudget: Revenue from State of California (Cap & Trade Grant - Placemaking)	-	-	-	\$221,500	-	(\$221,500)			
		Rebudget: Revenue from Local Agencies (After School Education and Safety Programs for 2017-2018)	-	-	-	\$142,249	-	(\$142,249)			
		Rebudget: Other Revenue (Neighborhood Gateway Galleries)	-	-	-	\$50,000	-	(\$50,000)			
<b>REVENUE ADJUSTMENTS TOTAL</b>						-	-	-	<b>\$3,261,672</b>	<b>\$15,654,983</b>	<b>(\$18,916,655)</b>
<b>TOTAL GENERAL FUND</b>						<b>\$6,759,769</b>	<b>\$14,145,303</b>	<b>\$20,905,072</b>	<b>\$5,250,089</b>	<b>\$15,654,983</b>	<b>\$0</b>

Special Funds  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Airport Fiscal Agent Fund (525)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Airport Department Fund Balance Reconciliation - Debt Service Reserve	-	-	(\$4,194,522)	-	(\$4,194,522)	-	(\$4,194,522)	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>
<b>Airport Fiscal Agent Fund (525) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>	<b>(\$4,194,522)</b>	<b>\$0</b>
<b>Airport Maintenance And Operation Fund (523)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Airport Department Fund Balance Reconciliation - Workers' Compensation Claim Reserve	-	-	\$168,531	-	\$168,531	-	\$168,531	-
Fund Balance Reconciliation - Master Trust Agreement Reserve	-	-	(\$2,357,888)	-	(\$2,357,888)	-	(\$2,357,888)	-
Tech Adjust: Overhead	-	-	\$17,679	-	\$17,679	-	-	\$17,679
Tech Adjust: Operations Contingency	-	-	(\$17,679)	-	(\$17,679)	-	-	(\$17,679)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>
<b>Airport Maintenance And Operation Fund (523) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>	<b>(\$2,189,357)</b>	<b>\$0</b>
<b>Airport Revenue Fund (521)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Airport Department Fund Balance Reconciliation - Airline Agreement Reserve	-	-	\$241,266	-	\$241,266	-	\$241,266	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$241,266</b>	<b>\$0</b>	<b>\$241,266</b>	<b>\$0</b>	<b>\$241,266</b>	<b>\$0</b>

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Budget Adjustments</b>								
Airport Department								
Airline Agreement Reserve/Transfers and Reimbursements (Jet Fuel Local Sales Tax)	-	-	\$273,291	-	\$273,291	\$273,291	-	-
Airline Agreement Reserve (Commercial Paper Paydown)	-	-	(\$4,500,000)	-	(\$4,500,000)	-	-	(\$4,500,000)
Future Budgets/Capital Reserve (Interim Terminal Facility - Six Gates)	-	-	\$26,630,779	-	\$26,630,779	-	-	\$26,630,779
Airline Agreement Reserve (Interim Terminal Facility - Six Gates)	-	-	\$31,369,221	-	\$31,369,221	-	-	\$31,369,221
Transfer to Airport Surplus Revenue Fund (Interim Terminal Facility - Six Gates)	-	-	(\$58,000,000)	-	(\$58,000,000)	-	-	(\$58,000,000)
Transfer to the Airport Surplus Revenue Fund (Commercial Paper Paydown)	-	-	\$4,500,000	-	\$4,500,000	-	-	\$4,500,000
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$273,291</b>	<b>\$0</b>	<b>\$273,291</b>	<b>\$273,291</b>	<b>\$0</b>	<b>\$0</b>
<b>Airport Revenue Fund (521)</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$514,557</b>	<b>\$0</b>	<b>\$514,557</b>	<b>\$273,291</b>	<b>\$241,266</b>	<b>\$0</b>
<b>Airport Surplus Revenue Fund (524)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Airport Department								
Fund Balance Reconciliation - Airline Agreement Reserve	-	-	\$286,129	-	\$286,129	-	\$286,129	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$286,129</b>	<b>\$0</b>	<b>\$286,129</b>	<b>\$0</b>	<b>\$286,129</b>	<b>\$0</b>

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Budget Adjustments</b>								
Airport Department								
Transfer to the Airport Renewal and Replacement Fund/Transfers and Reimbursements (From the Airport Revenue Fund for Interim Terminal Facility - Six Gates)	-	-	(\$58,000,000)	-	(\$58,000,000)	(\$58,000,000)	-	-
Transfers and Reimbursements (From the Airport Revenue Fund for Commercial Paper Paydown)	-	-	-	-	-	\$4,500,000	-	(\$4,500,000)
Commercial Paper Principal and Interest	-	-	\$4,500,000	-	\$4,500,000	-	-	\$4,500,000
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$53,500,000)</b>	<b>\$0</b>	<b>(\$53,500,000)</b>	<b>(\$53,500,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>Airport Surplus Revenue Fund (524) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$53,213,871)</b>	<b>\$0</b>	<b>(\$53,213,871)</b>	<b>(\$53,500,000)</b>	<b>\$286,129</b>	<b>\$0</b>
<b>Benefits Funds - Benefit Fund (160)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	(\$101,956)	(\$101,956)	-	(\$101,956)	-
Tech Adjust: Overhead	-	-	(\$5,187)	\$5,187	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,187)</b>	<b>(\$96,769)</b>	<b>(\$101,956)</b>	<b>\$0</b>	<b>(\$101,956)</b>	<b>\$0</b>
<b>Benefits Funds - Benefit Fund (160) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,187)</b>	<b>(\$96,769)</b>	<b>(\$101,956)</b>	<b>\$0</b>	<b>(\$101,956)</b>	<b>\$0</b>
<b>Benefits Funds - Dental Insurance Fund (155)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	(\$280,329)	(\$280,329)	-	(\$280,329)	-

Special Funds  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Tech Adjust: Overhead	-	-	(\$2,733)	\$2,733	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,733)</b>	<b>(\$277,596)</b>	<b>(\$280,329)</b>	<b>\$0</b>	<b>(\$280,329)</b>	<b>\$0</b>
<b>Benefits Funds - Dental Insurance Fund (155) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,733)</b>	<b>(\$277,596)</b>	<b>(\$280,329)</b>	<b>\$0</b>	<b>(\$280,329)</b>	<b>\$0</b>
<b>Benefits Funds - Life Insurance Fund (156)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	\$5,738	\$5,738	-	\$5,738	-
Tech Adjust: Overhead	-	-	(\$760)	\$760	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$760)</b>	<b>\$6,498</b>	<b>\$5,738</b>	<b>\$0</b>	<b>\$5,738</b>	<b>\$0</b>
<b>Benefits Funds - Life Insurance Fund (156) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$760)</b>	<b>\$6,498</b>	<b>\$5,738</b>	<b>\$0</b>	<b>\$5,738</b>	<b>\$0</b>
<b>Benefits Funds - Self-Insured Medical Fund (158)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	\$353,221	\$353,221	-	\$353,221	-
Tech Adjust: Overhead	-	-	(\$984)	\$984	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$984)</b>	<b>\$354,205</b>	<b>\$353,221</b>	<b>\$0</b>	<b>\$353,221</b>	<b>\$0</b>
<b>Benefits Funds - Self-Insured Medical Fund (158) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$984)</b>	<b>\$354,205</b>	<b>\$353,221</b>	<b>\$0</b>	<b>\$353,221</b>	<b>\$0</b>



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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Benefits Funds - Unemployment Insurance Fund (157)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Human Resources Department								
Fund Balance Reconciliation	-	-	-	\$160,256	\$160,256	-	\$160,256	-
Tech Adjust: Overhead	-	-	(\$1,585)	\$1,585	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,585)</b>	<b>\$161,841</b>	<b>\$160,256</b>	<b>\$0</b>	<b>\$160,256</b>	<b>\$0</b>
<b>Benefits Funds - Unemployment Insurance Fund (157) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,585)</b>	<b>\$161,841</b>	<b>\$160,256</b>	<b>\$0</b>	<b>\$160,256</b>	<b>\$0</b>
<b>Business Improvement District Fund (351)</b>								
<b>Clean-Up and Rebudget Actions</b>								
City Manager - Office of Economic Development								
Fund Balance Reconciliation - Downtown Business Improvement District	-	-	(\$31,463)	-	(\$31,463)	-	(\$31,463)	-
Fund Balance Reconciliation - Hotel Business Improvement District	-	-	\$48,045	-	\$48,045	-	\$48,045	-
Fund Balance Reconciliation - Japantown Business Improvement District	-	-	\$1,715	-	\$1,715	-	\$1,715	-
Fund Balance Reconciliation - Willow Glen Community Benefit Improvement District	-	-	\$3,927	-	\$3,927	-	\$3,927	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>
<b>Business Improvement District Fund (351) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>	<b>\$22,224</b>	<b>\$0</b>

Special Funds  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Cash Reserve Fund (002)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Finance Department								
Fund Balance Reconciliation	-	-	-	\$21	\$21	-	\$21	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21</b>	<b>\$21</b>	<b>\$0</b>	<b>\$21</b>	<b>\$0</b>
<b>Cash Reserve Fund (002)</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21</b>	<b>\$21</b>	<b>\$0</b>	<b>\$21</b>	<b>\$0</b>
<b>City Hall Debt Service Fund (210)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Office of the City Manager								
Fund Balance Reconciliation	-	-	-	\$773,150	\$773,150	-	\$773,150	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$773,150</b>	<b>\$773,150</b>	<b>\$0</b>	<b>\$773,150</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Office of the City Manager								
Transfer to the Sewer Service and Use Charge Fund	-	-	\$309,000	-	\$309,000	-	-	\$309,000
Ending Fund Balance Adjustment	-	-	-	(\$327,000)	(\$327,000)	-	-	(\$327,000)
Transfer to the Sanitary Sewer Connection Fee Fund	-	-	\$18,000	-	\$18,000	-	-	\$18,000
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$327,000</b>	<b>(\$327,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>City Hall Debt Service Fund (210) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$327,000</b>	<b>\$446,150</b>	<b>\$773,150</b>	<b>\$0</b>	<b>\$773,150</b>	<b>\$0</b>
<b>Community Development Block Grant Fund (441)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Housing Department								
Fund Balance Reconciliation	-	-	-	\$1,781,496	\$1,781,496	-	\$1,781,496	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,781,496</b>	<b>\$1,781,496</b>	<b>\$0</b>	<b>\$1,781,496</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Housing Department								
Housing Program Development and Monitoring	-	-	\$133,857	-	\$133,857	-	-	\$133,857

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Property Acquisition Reserve	-	-	\$700,000	-	\$700,000	-	-	\$700,000
Housing Emergency and Minor Repair Program	-	-	\$140,000	-	\$140,000	-	-	\$140,000
Legal Aid Fair Housing Program	-	-	(\$50,000)	-	(\$50,000)	-	-	(\$50,000)
Neighborhood Infrastructure Improvements	-	-	\$1,658,961	-	\$1,658,961	-	-	\$1,658,961
Ending Fund Balance Adjustment	-	-	-	(\$2,582,818)	(\$2,582,818)	-	-	(\$2,582,818)
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,582,818</b>	<b>(\$2,582,818)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Community Development Block Grant Fund (441) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,582,818</b>	<b>(\$801,322)</b>	<b>\$1,781,496</b>	<b>\$0</b>	<b>\$1,781,496</b>	<b>\$0</b>
<b>Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Transportation Department								
Fund Balance Reconciliation	-	-	-	\$38,197	\$38,197	-	\$38,197	-
Tech Adjust: Overhead	-	-	(\$1,094)	\$1,094	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,094)</b>	<b>\$39,291</b>	<b>\$38,197</b>	<b>\$0</b>	<b>\$38,197</b>	<b>\$0</b>
<b>Community Facilities District No. 1 (Capitol Auto Mall) Fund (371) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,094)</b>	<b>\$39,291</b>	<b>\$38,197</b>	<b>\$0</b>	<b>\$38,197</b>	<b>\$0</b>
<b>Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Transportation Department								
Fund Balance Reconciliation	-	-	-	(\$6,126)	(\$6,126)	-	(\$6,126)	-
Tech Adjust: Overhead	-	-	(\$7,712)	\$7,712	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,712)</b>	<b>\$1,586</b>	<b>(\$6,126)</b>	<b>\$0</b>	<b>(\$6,126)</b>	<b>\$0</b>
<b>Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,712)</b>	<b>\$1,586</b>	<b>(\$6,126)</b>	<b>\$0</b>	<b>(\$6,126)</b>	<b>\$0</b>

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Community Facilities District No. 8 (Communications Hill) Fund (373)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	(\$23,024)	(\$23,024)	-	(\$23,024)	-
	Tech Adjust: Overhead	-	-	(\$8,498)	\$8,498	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,498)</b>	<b>(\$14,526)</b>	<b>(\$23,024)</b>	<b>\$0</b>	<b>(\$23,024)</b>	<b>\$0</b>
	<b>Community Facilities District</b>								
	<b>No. 8 (Communications Hill)</b>								
	<b>Fund (373) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,498)</b>	<b>(\$14,526)</b>	<b>(\$23,024)</b>	<b>\$0</b>	<b>(\$23,024)</b>	<b>\$0</b>
<b>Community Facilities District No. 11 (Adeline-Mary Helen) Fund (374)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$4,736	\$4,736	-	\$4,736	-
	Tech Adjust: Overhead	-	-	(\$1,775)	\$1,775	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,775)</b>	<b>\$6,511</b>	<b>\$4,736</b>	<b>\$0</b>	<b>\$4,736</b>	<b>\$0</b>
	<b>Community Facilities District</b>								
	<b>No. 11 (Adeline-Mary Helen)</b>								
	<b>Fund (374) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,775)</b>	<b>\$6,511</b>	<b>\$4,736</b>	<b>\$0</b>	<b>\$4,736</b>	<b>\$0</b>
<b>Community Facilities District No. 12 (Basking Ridge) Fund (376)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$139,657	\$139,657	-	\$139,657	-
	Tech Adjust: Overhead	-	-	(\$7,249)	\$7,249	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,249)</b>	<b>\$146,906</b>	<b>\$139,657</b>	<b>\$0</b>	<b>\$139,657</b>	<b>\$0</b>
	<b>Community Facilities District</b>								
	<b>No. 12 (Basking Ridge) Fund</b>								
	<b>(376) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,249)</b>	<b>\$146,906</b>	<b>\$139,657</b>	<b>\$0</b>	<b>\$139,657</b>	<b>\$0</b>

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Community Facilities District No. 13 (Guadalupe Mines) Fund (310)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$49,154	\$49,154	-	\$49,154	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,154</b>	<b>\$49,154</b>	<b>\$0</b>	<b>\$49,154</b>	<b>\$0</b>
	<b>Community Facilities District No. 13 (Guadalupe Mines) Fund (310) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,154</b>	<b>\$49,154</b>	<b>\$0</b>	<b>\$49,154</b>	<b>\$0</b>
<b>Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$16,502	\$16,502	-	\$16,502	-
	Tech Adjust: Overhead	-	-	(\$3,092)	\$3,092	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,092)</b>	<b>\$19,594</b>	<b>\$16,502</b>	<b>\$0</b>	<b>\$16,502</b>	<b>\$0</b>
	<b>Community Facilities District No. 14 (Raleigh-Charlotte) Fund (379) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,092)</b>	<b>\$19,594</b>	<b>\$16,502</b>	<b>\$0</b>	<b>\$16,502</b>	<b>\$0</b>
<b>Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$18,735	\$18,735	-	\$18,735	-
	Tech Adjust: Overhead	-	-	(\$398)	\$398	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$398)</b>	<b>\$19,133</b>	<b>\$18,735</b>	<b>\$0</b>	<b>\$18,735</b>	<b>\$0</b>
	<b>Community Facilities District No. 15 (Berryessa-Sierra) Fund (370)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$398)</b>	<b>\$19,133</b>	<b>\$18,735</b>	<b>\$0</b>	<b>\$18,735</b>	<b>\$0</b>

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$140,799	\$140,799	-	\$140,799	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$140,799</b>	<b>\$140,799</b>	<b>\$0</b>	<b>\$140,799</b>	<b>\$0</b>
	<b>Community Facilities District No. 16 (Raleigh-Coronado) Fund (344) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$140,799</b>	<b>\$140,799</b>	<b>\$0</b>	<b>\$140,799</b>	<b>\$0</b>
<b>Community Facilities Revenue Fund (422)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Finance Department									
	Fund Balance Reconciliation	-	-	-	\$933,998	\$933,998	-	\$933,998	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$933,998</b>	<b>\$933,998</b>	<b>\$0</b>	<b>\$933,998</b>	<b>\$0</b>
	<b>Community Facilities Revenue Fund (422) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$933,998</b>	<b>\$933,998</b>	<b>\$0</b>	<b>\$933,998</b>	<b>\$0</b>
<b>Convention And Cultural Affairs Fund (536)</b>									
<b>Clean-Up and Rebudget Actions</b>									
City Manager - Office of Economic Development									
	Fund Balance Reconciliation	-	-	-	\$2,920,346	\$2,920,346	-	\$2,920,346	-

Special Funds  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Downtown Wayfinding Signage	-	-	\$300,000	(\$300,000)	-	-	-	-
Rebudget: Civic Auditorium / Center for the Performing Arts Marketing and Capital Improvement	-	-	\$33,890	(\$33,890)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$333,890</b>	<b>\$2,586,456</b>	<b>\$2,920,346</b>	<b>\$0</b>	<b>\$2,920,346</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
City Manager - Office of Economic Development	Transfers and Reimbursements (Transfer from Transient Occupancy Tax Fund)		-	-	-	\$652,375	-	(\$652,375)
Ending Fund Balance Adjustment	-	-	-	\$652,375	\$652,375	-	-	\$652,375
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$652,375</b>	<b>\$652,375</b>	<b>\$652,375</b>	<b>\$0</b>	<b>\$0</b>
<b>Convention And Cultural Affairs Fund (536) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$333,890</b>	<b>\$3,238,831</b>	<b>\$3,572,721</b>	<b>\$652,375</b>	<b>\$2,920,346</b>	<b>\$0</b>
<b>Convention Center Facilities District Revenue Fund (791)</b>								
<b>Clean-Up and Rebudget Actions</b>								
City Manager - Office of Economic Development	Fund Balance Reconciliation		-	-	-	\$2,934,169	\$2,934,169	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,934,169</b>	<b>\$2,934,169</b>	<b>\$0</b>	<b>\$2,934,169</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
City Manager - Office of Economic Development	Transfer to the Convention Center Facilities District Capital Fund		-	-	\$400,000	-	\$400,000	\$400,000
Ending Fund Balance Adjustment	-	-	-	(\$3,539,000)	(\$3,539,000)	-	-	(\$3,539,000)

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Finance Department South Hall Site Acquisition Debt Service	-	-	\$1,750,000	-	\$1,750,000	-	-	\$1,750,000	
Debt Service: Commercial Paper (Convention Center Kitchen and HVAC)	-	-	\$1,389,000	-	\$1,389,000	-	-	\$1,389,000	
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,539,000</b>	<b>(\$3,539,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Convention Center Facilities District Revenue Fund (791) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,539,000</b>	<b>(\$604,831)</b>	<b>\$2,934,169</b>	<b>\$0</b>	<b>\$2,934,169</b>	<b>\$0</b>	
<b>Downtown Property And Business Improvement District Fund (302)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$151,813	\$151,813	-	\$151,813	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$151,813</b>	<b>\$151,813</b>	<b>\$0</b>	<b>\$151,813</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Transportation Department	Downtown Property and Business Improvement District	-	-	\$99,750	-	\$99,750	-	-	\$99,750
Ending Fund Balance Adjustment		-	-	-	(\$99,750)	(\$99,750)	-	-	(\$99,750)
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$99,750</b>	<b>(\$99,750)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Downtown Property And Business Improvement District Fund (302) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$99,750</b>	<b>\$52,063</b>	<b>\$151,813</b>	<b>\$0</b>	<b>\$151,813</b>	<b>\$0</b>
<b>Economic Development Administration Loan Fund (444)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Housing Department	Fund Balance Reconciliation	-	-	-	(\$6)	(\$6)	-	(\$6)	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6)</b>	<b>(\$6)</b>	<b>\$0</b>	<b>(\$6)</b>	<b>\$0</b>
<b>Economic Development Administration Loan Fund (444) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6)</b>	<b>(\$6)</b>	<b>\$0</b>	<b>(\$6)</b>	<b>\$0</b>



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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
<b>Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Police Department	Fund Balance Reconciliation	-	-	-	(\$16,124)	(\$16,124)	-	(\$16,124)	-
	Rebudget: 2015 Justice Assistance Grant	-	-	(\$3,621)	\$3,621	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,621)</b>	<b>(\$12,503)</b>	<b>(\$16,124)</b>	<b>\$0</b>	<b>(\$16,124)</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Police Department	2015 Justice Assistance Grant	-	-	(\$12,000)	-	(\$12,000)	-	-	(\$12,000)
	Ending Fund Balance Adjustment	-	-	-	\$12,000	\$12,000	-	-	\$12,000
	Ending Fund Balance/Beginning Fund Balance	-	-	-	\$503	\$503	-	\$503	-
	<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,000)</b>	<b>\$12,503</b>	<b>\$503</b>	<b>\$0</b>	<b>\$503</b>	<b>\$0</b>
	<b>Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,621)</b>	<b>\$0</b>	<b>(\$15,621)</b>	<b>\$0</b>	<b>(\$15,621)</b>	<b>\$0</b>
<b>Emergency Reserve Fund (406)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Finance Department	Rebudget: 2017 Flood - Finance Claims Administration	-	-	\$30,000	(\$30,000)	-	-	-	-
	Fund Balance Reconciliation	-	-	-	(\$49,823)	(\$49,823)	-	(\$49,823)	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>(\$79,823)</b>	<b>(\$49,823)</b>	<b>\$0</b>	<b>(\$49,823)</b>	<b>\$0</b>
	<b>Emergency Reserve Fund (406) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>(\$79,823)</b>	<b>(\$49,823)</b>	<b>\$0</b>	<b>(\$49,823)</b>	<b>\$0</b>

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Federal Drug Forfeiture Fund (419)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Police Department Fund Balance Reconciliation	-	-	-	(\$68,947)	(\$68,947)	-	(\$68,947)	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$68,947)</b>	<b>(\$68,947)</b>	<b>\$0</b>	<b>(\$68,947)</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Police Department Non-Personal/Equipment (Pawn Slip Database)	-	(\$55,000)	-	-	(\$55,000)	-	-	(\$55,000)
Ending Fund Balance Adjustment	-	-	-	\$55,000	\$55,000	-	-	\$55,000
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>(\$55,000)</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Federal Drug Forfeiture Fund (419) TOTAL</b>	<b>\$0</b>	<b>(\$55,000)</b>	<b>\$0</b>	<b>(\$13,947)</b>	<b>(\$68,947)</b>	<b>\$0</b>	<b>(\$68,947)</b>	<b>\$0</b>
<b>General Purpose Parking Fund (533)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Transportation Department Fund Balance Reconciliation	-	-	-	\$2,715,401	\$2,715,401	-	\$2,715,401	-
Tech Adjust: Overhead	-	-	(\$105,961)	\$105,961	-	-	-	-
Rebudget: Non-Personal/Equipment (BeautifySJ Landscape Services)	-	\$7,000	-	(\$7,000)	-	-	-	-
Rebudget: Non-Personal/Equipment (San José Downtown Association)	-	\$17,120	-	(\$17,120)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$24,120</b>	<b>(\$105,961)</b>	<b>\$2,797,242</b>	<b>\$2,715,401</b>	<b>\$0</b>	<b>\$2,715,401</b>	<b>\$0</b>
<b>General Purpose Parking Fund (533) TOTAL</b>	<b>\$0</b>	<b>\$24,120</b>	<b>(\$105,961)</b>	<b>\$2,797,242</b>	<b>\$2,715,401</b>	<b>\$0</b>	<b>\$2,715,401</b>	<b>\$0</b>

Special Funds  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
<b>Gift Trust Fund (139)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Finance Department									
	Fund Balance Reconciliation	-	-	-	(\$140,183)	(\$140,183)	-	(\$140,183)	-
Airport Department	Rebudget: Heliport System Plan Study	-	-	\$178	(\$178)	-	-	-	-
	Rebudget: Art Work	-	-	\$55	(\$55)	-	-	-	-
	Rebudget: Kidport	-	-	(\$314)	\$314	-	-	-	-
City Clerk's Office	Rebudget: Mayor's College Motivation Program	-	-	\$126	(\$126)	-	-	-	-
	Rebudget: Go Girl Go BAWSI	-	-	\$28	(\$28)	-	-	-	-
	Rebudget: Community Resource Fair	-	-	\$487	(\$487)	-	-	-	-
	Rebudget: Annual District I Festival in the Park	-	-	\$10	(\$10)	-	-	-	-
Office of the City Manager	Rebudget: Facebook	-	-	(\$70,674)	\$70,674	-	-	-	-
	Rebudget: Berryessa Center Art Project	-	-	\$15	(\$15)	-	-	-	-
City Manager - Office of Economic Development	Rebudget: Cultural Performance	-	-	\$9	(\$9)	-	-	-	-
	Rebudget: Arts and Education Week	-	-	\$507	(\$507)	-	-	-	-
	Rebudget: Incubation Office Project	-	-	\$431	(\$431)	-	-	-	-
	Rebudget: Miscellaneous Gifts	-	-	\$2	(\$2)	-	-	-	-
	Rebudget: Albino, Erminia and Alba Joyce Martini Memorial Fund	-	-	(\$102,967)	\$102,967	-	-	-	-
	Rebudget: Sponsorship Gifts	-	-	\$1	(\$1)	-	-	-	-
	Rebudget: Airport Art & Technology	-	-	(\$87,016)	\$87,016	-	-	-	-
Fire Department	Rebudget: Public Education Program	-	-	\$3,419	(\$3,419)	-	-	-	-



Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Alviso Community Center	-	-	\$134	(\$134)	-	-	-	-
Rebudget: RP & CS General Gifts over \$1,000	-	-	(\$3,039)	\$3,039	-	-	-	-
Rebudget: Willow Glen Founders Day	-	-	\$4	(\$4)	-	-	-	-
Rebudget: Gullo Park Turf Irrigation	-	-	\$114	(\$114)	-	-	-	-
Rebudget: Combined Gifts	-	-	\$42	(\$42)	-	-	-	-
Rebudget: Youth Commission	-	-	\$263	(\$263)	-	-	-	-
Rebudget: Leland High School Tennis	-	-	\$15	(\$15)	-	-	-	-
Rebudget: Community Cultural Council	-	-	\$23	(\$23)	-	-	-	-
Rebudget: Mise and Starbird Gift	-	-	\$293	(\$293)	-	-	-	-
Rebudget: Alviso Recreation and Teen Program	-	-	\$12	(\$12)	-	-	-	-
Rebudget: G.E.A.R. Program	-	-	\$2	(\$2)	-	-	-	-
Rebudget: Friends of Paul Moore Park	-	-	\$26	(\$26)	-	-	-	-
Rebudget: St. James Park Landscaping	-	-	\$51	(\$51)	-	-	-	-
Rebudget: Nicolas Prusch Swimming	-	-	\$2,192	(\$2,192)	-	-	-	-
Rebudget: Grace Community Center	-	-	(\$735)	\$735	-	-	-	-
Rebudget: Emma Prusch Farm Park	-	-	\$84	(\$84)	-	-	-	-
Rebudget: O'Donnell's Gardens Park	-	-	\$223	(\$223)	-	-	-	-
Rebudget: Almaden Lake Park	-	-	\$37	(\$37)	-	-	-	-
Rebudget: Calabazas BMX Park	-	-	\$18	(\$18)	-	-	-	-

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Almaden Winery Improvements	-	-	\$192	(\$192)	-	-	-	-
Rebudget: Safe Summer Initiative	-	-	\$144	(\$144)	-	-	-	-
Rebudget: Newhall Park Maintenance	-	-	(\$5,514)	\$5,514	-	-	-	-
Rebudget: River Oaks Park Maintenance	-	-	(\$2,264)	\$2,264	-	-	-	-
Rebudget: Vista Montana Park Maintenance	-	-	\$2,996	(\$2,996)	-	-	-	-
Rebudget: Mayor's Gang Prevention Task Force Clean Slate Program	-	-	\$120	(\$120)	-	-	-	-
Rebudget: Lake Cunningham Skate Park	-	-	\$42	(\$42)	-	-	-	-
Rebudget: Almaden Lake Park Rangers	-	-	\$9	(\$9)	-	-	-	-
Rebudget: Miscellaneous Gifts	-	-	(\$408)	\$408	-	-	-	-
Rebudget: Miscellaneous Gifts under \$5,000	-	-	\$8,917	(\$8,917)	-	-	-	-
Rebudget: Police Mounted Unit	-	-	\$106	(\$106)	-	-	-	-
Rebudget: Police Educational Robot	-	-	\$16	(\$16)	-	-	-	-
Rebudget: Trauma Kits	-	-	\$13	(\$13)	-	-	-	-
Rebudget: Robbery Secret Witness	-	-	\$116	(\$116)	-	-	-	-
Rebudget: Anti-Theft Car Campaign	-	-	\$1	(\$1)	-	-	-	-
Rebudget: Police & School Partnership Program	-	-	\$67	(\$67)	-	-	-	-
Rebudget: School Safety Kits	-	-	\$17	(\$17)	-	-	-	-
Rebudget: Canine Unit	-	-	\$15	(\$15)	-	-	-	-

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: Crime Prevention Committee	-	-	\$5	(\$5)	-	-	-	-
Rebudget: CADPE - Drug Education	-	-	\$9	(\$9)	-	-	-	-
Rebudget: Communications Facility Fitness Center	-	-	\$16	(\$16)	-	-	-	-
Rebudget: Children's Interview Center	-	-	\$270	(\$270)	-	-	-	-
Rebudget: Community Services Program	-	-	\$18	(\$18)	-	-	-	-
Rebudget: Cybercadet Program	-	-	\$34	(\$34)	-	-	-	-
Rebudget: Major Awards Banquet	-	-	(\$3,809)	\$3,809	-	-	-	-
Rebudget: Volunteer Program	-	-	\$5	(\$5)	-	-	-	-
Rebudget: Child Safety Seats	-	-	(\$15,572)	\$15,572	-	-	-	-
Rebudget: S.A.V.E. Program	-	-	\$219	(\$219)	-	-	-	-
Rebudget: Mayor's Safe Families	-	-	\$26	(\$26)	-	-	-	-
Rebudget: Internet Crimes Against Children	-	-	\$48	(\$48)	-	-	-	-
Rebudget: Scholastic Crime Stoppers	-	-	\$35	(\$35)	-	-	-	-
Rebudget: Investigative Enhancement	-	-	\$497	(\$497)	-	-	-	-
Rebudget: Police Reserves Unit	-	-	(\$3,158)	\$3,158	-	-	-	-
Rebudget: Kinjo Gardens	-	-	\$35	(\$35)	-	-	-	-
Rebudget: Spay/Neuter Program	-	-	(\$31,630)	\$31,630	-	-	-	-
Rebudget: Animal Services Donations	-	-	\$87,558	(\$87,558)	-	-	-	-

Public Works  
Department

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transportation Department									
	Rebudget: Coleman/Guadalupe Traffic Study and Mitigation	-	-	\$93	(\$93)	-	-	-	-
	Rebudget: Pedestrian Enhancements - International Circle and Hospital Parkway	-	-	\$2,246	(\$2,246)	-	-	-	-
Police Department									
	Rebudget: Our City Forest	-	-	\$8	(\$8)	-	-	-	-
	Tech Adjust: Miscellaneous Gifts	-	-	\$1,034	-	\$1,034	-	-	\$1,034
	Tech Adjust: Miscellaneous Gifts Under \$5,000	-	-	(\$1,034)	-	(\$1,034)	-	-	(\$1,034)
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$221,342)</b>	<b>\$81,159</b>	<b>(\$140,183)</b>	<b>\$0</b>	<b>(\$140,183)</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Library Department									
	Library - General Gifts	-	-	\$81,159	-	\$81,159	-	-	\$81,159
	Library - General Gifts/Other Revenue	-	-	\$23,373	-	\$23,373	\$23,373	-	\$0
Police Department									
	Ending Fund Balance Adjustment	-	-	-	(\$81,159)	(\$81,159)	-	-	(\$81,159)
	Canine Unit/Other Revenue	-	-	\$5,000	-	\$5,000	\$5,000	-	-
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$109,532</b>	<b>(\$81,159)</b>	<b>\$28,373</b>	<b>\$28,373</b>	<b>\$0</b>	<b>\$0</b>
<b>Gift Trust Fund (139) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$111,810)</b>	<b>\$0</b>	<b>(\$111,810)</b>	<b>\$28,373</b>	<b>(\$140,183)</b>	<b>\$0</b>
<b>Home Investment Partnership Program Trust Fund (445)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Housing Department									
	Fund Balance Reconciliation	-	-	-	\$3,319,479	\$3,319,479	-	\$3,319,479	-
	Tech Adjust: Overhead	-	-	\$878	(\$878)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$878</b>	<b>\$3,318,601</b>	<b>\$3,319,479</b>	<b>\$0</b>	<b>\$3,319,479</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Housing Department									
	Housing Loans and Grants	-	-	\$3,700,000	-	\$3,700,000	-	-	\$3,700,000



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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance Adjustment		-	-	-	(\$3,700,000)	(\$3,700,000)	-	-	(\$3,700,000)
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$3,700,000</b>	<b>(\$3,700,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Home Investment Partnership Program Trust Fund (445)									
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$3,700,878</b>	<b>(\$381,399)</b>	<b>\$3,319,479</b>	<b>\$0</b>	<b>\$3,319,479</b>	<b>\$0</b>
<b>Housing Trust Fund (440)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Housing Department	Fund Balance Reconciliation	-	-	-	\$528,626	\$528,626	-	\$528,626	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$528,626</b>	<b>\$528,626</b>	<b>\$0</b>	<b>\$528,626</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Housing Department	Housing and Homeless Projects	-	-	\$150,000	-	\$150,000	-	-	\$150,000
Ending Fund Balance Adjustment		-	-	-	(\$150,000)	(\$150,000)	-	-	(\$150,000)
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>(\$150,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Housing Trust Fund (440) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$378,626</b>	<b>\$528,626</b>	<b>\$0</b>	<b>\$528,626</b>	<b>\$0</b>
<b>Ice Centre Revenue Fund (432)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Office of the City Manager	Fund Balance Reconciliation	-	-	-	\$2,375,818	\$2,375,818	-	\$2,375,818	-
	Fund Balance Reconciliation - Previously Approved Repairs Reserve	-	-	\$2,339,000	(\$2,339,000)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$2,339,000</b>	<b>\$36,818</b>	<b>\$2,375,818</b>	<b>\$0</b>	<b>\$2,375,818</b>	<b>\$0</b>
<b>Ice Centre Revenue Fund (432) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$2,339,000</b>	<b>\$36,818</b>	<b>\$2,375,818</b>	<b>\$0</b>	<b>\$2,375,818</b>	<b>\$0</b>

Special Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Integrated Waste Management Fund (423)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	\$264,957	\$264,957	-	\$264,957	-
Tech Adjust: Overhead	-	-	(\$382,047)	\$382,047	-	-	-	-
Rebudget: Household Hazardous Waste Las Plumas Facility	-	-	(\$15,575)	\$15,575	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$397,622)</b>	<b>\$662,579</b>	<b>\$264,957</b>	<b>\$0</b>	<b>\$264,957</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Environmental Services Department								
EIC QALICB Master Lease Payment	-	-	\$72,000	-	\$72,000	-	-	\$72,000
Ending Fund Balance Adjustment	-	-	-	(\$72,000)	(\$72,000)	-	-	(\$72,000)
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,000</b>	<b>(\$72,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Integrated Waste Management Fund (423) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$325,622)</b>	<b>\$590,579</b>	<b>\$264,957</b>	<b>\$0</b>	<b>\$264,957</b>	<b>\$0</b>
<b>Library Parcel Tax Fund (418)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Library Department								
Fund Balance Reconciliation	-	-	-	\$1,416,209	\$1,416,209	-	\$1,416,209	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,416,209</b>	<b>\$1,416,209</b>	<b>\$0</b>	<b>\$1,416,209</b>	<b>\$0</b>
<b>Library Parcel Tax Fund (418) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,416,209</b>	<b>\$1,416,209</b>	<b>\$0</b>	<b>\$1,416,209</b>	<b>\$0</b>

Special Funds  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Low And Moderate Income Housing Asset Fund (346)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Housing Department	Fund Balance Reconciliation - Housing Project Reserve	-	-	\$1,237,000	-	\$1,237,000	-	\$1,237,000	-
	Fund Balance Reconciliation	-	-	-	\$35,293,549	\$35,293,549	-	\$35,293,549	-
	Tech Adjust: Overhead	-	-	\$403,484	(\$403,484)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$1,640,484</b>	<b>\$34,890,065</b>	<b>\$36,530,549</b>	<b>\$0</b>	<b>\$36,530,549</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Housing Department	Revenue from the Use of Money/Property (Loan Repayment)	-	-	-	(\$24,000,000)	(\$24,000,000)	(\$24,000,000)	-	-
	Housing Project Reserve	-	-	\$12,963,000	-	\$12,963,000	-	-	\$12,963,000
	Committed Projects Reserve	-	-	(\$2,200,000)	-	(\$2,200,000)	-	-	(\$2,200,000)
	Ending Fund Balance Adjustment	-	-	-	(\$10,763,000)	(\$10,763,000)	-	-	(\$10,763,000)
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$10,763,000</b>	<b>(\$34,763,000)</b>	<b>(\$24,000,000)</b>	<b>(\$24,000,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>Low And Moderate Income Housing Asset Fund (346) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$12,403,484</b>	<b>\$127,065</b>	<b>\$12,530,549</b>	<b>(\$24,000,000)</b>	<b>\$36,530,549</b>	<b>\$0</b>
<b>Maintenance District No. 1 (Los Paseos) Fund (352)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$50,207	\$50,207	-	\$50,207	-
	Tech Adjust: Overhead	-	-	(\$4,125)	\$4,125	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$4,125)</b>	<b>\$54,332</b>	<b>\$50,207</b>	<b>\$0</b>	<b>\$50,207</b>	<b>\$0</b>
<b>Maintenance District No. 1 (Los Paseos) Fund (352) TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$4,125)</b>	<b>\$54,332</b>	<b>\$50,207</b>	<b>\$0</b>	<b>\$50,207</b>	<b>\$0</b>

Special Funds  
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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
<b>Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$4,116)	(\$4,116)	-	(\$4,116)	-
	Tech Adjust: Overhead	-	-	(\$228)	\$228	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$228)</b>	<b>(\$3,888)</b>	<b>(\$4,116)</b>	<b>\$0</b>	<b>(\$4,116)</b>	<b>\$0</b>
	<b>Maintenance District No. 2 (Trade Zone Blvd.-Lundy Ave.) Fund (354) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$228)</b>	<b>(\$3,888)</b>	<b>(\$4,116)</b>	<b>\$0</b>	<b>(\$4,116)</b>	<b>\$0</b>
<b>Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$3,257)	(\$3,257)	-	(\$3,257)	-
	Tech Adjust: Overhead	-	-	(\$850)	\$850	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$850)</b>	<b>(\$2,407)</b>	<b>(\$3,257)</b>	<b>\$0</b>	<b>(\$3,257)</b>	<b>\$0</b>
	<b>Maintenance District No. 5 (Orchard Parkway-Plumeria Drive) Fund (357) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$850)</b>	<b>(\$2,407)</b>	<b>(\$3,257)</b>	<b>\$0</b>	<b>(\$3,257)</b>	<b>\$0</b>
<b>Maintenance District No. 8 (Zanker-Montague) Fund (361)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$1,155)	(\$1,155)	-	(\$1,155)	-
	Tech Adjust: Overhead	-	-	(\$1,124)	\$1,124	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,124)</b>	<b>(\$31)</b>	<b>(\$1,155)</b>	<b>\$0</b>	<b>(\$1,155)</b>	<b>\$0</b>
	<b>Maintenance District No. 8 (Zanker-Montague) Fund (361) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,124)</b>	<b>(\$31)</b>	<b>(\$1,155)</b>	<b>\$0</b>	<b>(\$1,155)</b>	<b>\$0</b>

Special Funds  
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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	(\$3,681)	(\$3,681)	-	(\$3,681)	-
	Tech Adjust: Overhead	-	-	(\$1,935)	\$1,935	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,935)</b>	<b>(\$1,746)</b>	<b>(\$3,681)</b>	<b>\$0</b>	<b>(\$3,681)</b>	<b>\$0</b>
<b>Maintenance District No. 9 (Santa Teresa-Great Oaks) Fund (362) TOTAL</b>									
		<b>\$0</b>	<b>\$0</b>	<b>(\$1,935)</b>	<b>(\$1,746)</b>	<b>(\$3,681)</b>	<b>\$0</b>	<b>(\$3,681)</b>	<b>\$0</b>
<b>Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	(\$9,063)	(\$9,063)	-	(\$9,063)	-
	Tech Adjust: Overhead	-	-	(\$684)	\$684	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$684)</b>	<b>(\$8,379)</b>	<b>(\$9,063)</b>	<b>\$0</b>	<b>(\$9,063)</b>	<b>\$0</b>
<b>Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364) TOTAL</b>									
		<b>\$0</b>	<b>\$0</b>	<b>(\$684)</b>	<b>(\$8,379)</b>	<b>(\$9,063)</b>	<b>\$0</b>	<b>(\$9,063)</b>	<b>\$0</b>
<b>Maintenance District No. 13 (Karina-O'Nel) Fund (366)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$24,416	\$24,416	-	\$24,416	-
	Tech Adjust: Overhead	-	-	(\$248)	\$248	-	-	-	-
	<b>Clean-Up and Rebudget Actions</b>								
	<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$248)</b>	<b>\$24,664</b>	<b>\$24,416</b>	<b>\$0</b>	<b>\$24,416</b>	<b>\$0</b>
<b>Maintenance District No. 13 (Karina-O'Nel) Fund (366) TOTAL</b>									
		<b>\$0</b>	<b>\$0</b>	<b>(\$248)</b>	<b>\$24,664</b>	<b>\$24,416</b>	<b>\$0</b>	<b>\$24,416</b>	<b>\$0</b>

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Maintenance District No. 15 (Silver Creek Valley) Fund (368)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	(\$19,154)	(\$19,154)	-	(\$19,154)	-
	Tech Adjust: Overhead	-	-	(\$18,321)	\$18,321	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>									
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$18,321)</b>	<b>(\$833)</b>	<b>(\$19,154)</b>	<b>\$0</b>	<b>(\$19,154)</b>	<b>\$0</b>
<b>Maintenance District No. 15 (Silver Creek Valley) Fund (368)</b>									
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$18,321)</b>	<b>(\$833)</b>	<b>(\$19,154)</b>	<b>\$0</b>	<b>(\$19,154)</b>	<b>\$0</b>
<b>Maintenance District No. 18 (The Meadowlands) Fund (372)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	(\$13,770)	(\$13,770)	-	(\$13,770)	-
	Tech Adjust: Overhead	-	-	(\$1,040)	\$1,040	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>									
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$1,040)</b>	<b>(\$12,730)</b>	<b>(\$13,770)</b>	<b>\$0</b>	<b>(\$13,770)</b>	<b>\$0</b>
<b>Maintenance District No. 18 (The Meadowlands) Fund (372)</b>									
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$1,040)</b>	<b>(\$12,730)</b>	<b>(\$13,770)</b>	<b>\$0</b>	<b>(\$13,770)</b>	<b>\$0</b>
<b>Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation									
Department	Fund Balance Reconciliation	-	-	-	\$14,287	\$14,287	-	\$14,287	-

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost	
Tech Adjust: Overhead	-	-	(\$1,289)	\$1,289	-	-	-	-	
<b>Clean-Up and Rebudget Actions</b>									
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,289)</b>	<b>\$15,576</b>	<b>\$14,287</b>	<b>\$0</b>	<b>\$14,287</b>	<b>\$0</b>	
<b>Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359) TOTAL</b>									
	\$0	\$0	(\$1,289)	\$15,576	\$14,287	\$0	\$14,287	\$0	
<b>Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$8,952	\$8,952	-	\$8,952	-
	Tech Adjust: Overhead	-	-	(\$394)	\$394	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>									
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$394)</b>	<b>\$9,346</b>	<b>\$8,952</b>	<b>\$0</b>	<b>\$8,952</b>	<b>\$0</b>	
<b>Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365) TOTAL</b>									
	\$0	\$0	(\$394)	\$9,346	\$8,952	\$0	\$8,952	\$0	
<b>Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	\$2,096	\$2,096	-	\$2,096	-
	Tech Adjust: Overhead	-	-	(\$1,196)	\$1,196	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>									
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,196)</b>	<b>\$3,292</b>	<b>\$2,096</b>	<b>\$0</b>	<b>\$2,096</b>	<b>\$0</b>	
<b>Maintenance District No. 21 (Gateway Place-Airport Parkway) Fund (356) TOTAL</b>									
	\$0	\$0	(\$1,196)	\$3,292	\$2,096	\$0	\$2,096	\$0	

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Transportation Department	Fund Balance Reconciliation	-	-	-	(\$29,771)	(\$29,771)	-	(\$29,771)	-
	Tech Adjust: Overhead	-	-	(\$394)	\$394	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$394)</b>	<b>(\$29,377)</b>	<b>(\$29,771)</b>	<b>\$0</b>	<b>(\$29,771)</b>	<b>\$0</b>
	<b>Maintenance District No. 22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund (367) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$394)</b>	<b>(\$29,377)</b>	<b>(\$29,771)</b>	<b>\$0</b>	<b>(\$29,771)</b>	<b>\$0</b>
<b>Multi-Source Housing Fund (448)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Housing Department	Fund Balance Reconciliation - City	-	-	(\$2,506,000)	-	(\$2,506,000)	-	(\$2,506,000)	-
	Housing Authority Reserve	-	-	-	\$1,953,963	\$1,953,963	-	\$1,953,963	-
	Fund Balance Reconciliation	-	-	-	(\$3,693)	-	-	-	-
	Tech Adjust: Overhead	-	-	\$3,693	(\$100,000)	-	-	-	-
	Rebudget: 2017 Coyote Creek Flood Recovery Efforts	-	-	\$100,000	(\$61,344)	-	-	-	-
	Rebudget: Non-Personal/Equipment (Apt Rent Ordinance)	-	(\$61,344)	-	\$61,344	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>(\$61,344)</b>	<b>(\$2,402,307)</b>	<b>\$1,911,614</b>	<b>(\$552,037)</b>	<b>\$0</b>	<b>(\$552,037)</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Housing Department	Non-Personal/Equipment (Emergency Housing Plan)	-	\$150,000	-	-	\$150,000	-	-	\$150,000
	Housing Loans and Grants (Teacher Loan Repayment)	-	-	\$104,000	-	\$104,000	-	-	\$104,000
	Non-Personal/Equipment/Other Revenue (Dahlia Project Grant)	-	\$80,000	-	-	\$80,000	\$80,000	-	-



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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Ending Fund Balance Adjustment	-	-	-	(\$2,501,341)	(\$2,501,341)	-	-	(\$2,501,341)
City Housing Authority Reserve	-	-	\$2,247,341	-	\$2,247,341	-	-	\$2,247,341
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$230,000</b>	<b>\$2,351,341</b>	<b>(\$2,501,341)</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Multi-Source Housing Fund (448) TOTAL</b>	<b>\$0</b>	<b>\$168,656</b>	<b>(\$50,966)</b>	<b>(\$589,727)</b>	<b>(\$472,037)</b>	<b>\$80,000</b>	<b>(\$552,037)</b>	<b>\$0</b>
<b>Municipal Golf Course Fund (518)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Parks, Recreation and Neighborhood Services Department								
Fund Balance Reconciliation	-	-	-	\$331,032	\$331,032	-	\$331,032	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$331,032</b>	<b>\$331,032</b>	<b>\$0</b>	<b>\$331,032</b>	<b>\$0</b>
<b>Municipal Golf Course Fund (518) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$331,032</b>	<b>\$331,032</b>	<b>\$0</b>	<b>\$331,032</b>	<b>\$0</b>
<b>Public Works Program Support Fund (150)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Public Works Department								
Fund Balance Reconciliation	-	-	-	\$1,001,701	\$1,001,701	-	\$1,001,701	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,001,701</b>	<b>\$1,001,701</b>	<b>\$0</b>	<b>\$1,001,701</b>	<b>\$0</b>
<b>Public Works Program Support Fund (150) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,001,701</b>	<b>\$1,001,701</b>	<b>\$0</b>	<b>\$1,001,701</b>	<b>\$0</b>
<b>San José Arena Capital Reserve Fund (459)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Office of the City Manager								
Fund Balance Reconciliation	-	-	-	\$1,502,047	\$1,502,047	-	\$1,502,047	-

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Fund Balance Reconciliation - Previously Approved Repairs Reserve	-	-	\$1,501,000	(\$1,501,000)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,501,000</b>	<b>\$1,047</b>	<b>\$1,502,047</b>	<b>\$0</b>	<b>\$1,502,047</b>	<b>\$0</b>
<b>San José Arena Capital Reserve Fund (459) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,501,000</b>	<b>\$1,047</b>	<b>\$1,502,047</b>	<b>\$0</b>	<b>\$1,502,047</b>	<b>\$0</b>
<b>San José Clean Energy Operating Fund (501)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Community Energy Department								
Rebudget: Cost of Energy	-	-	\$3,000,000	(\$3,000,000)	-	-	-	-
Fund Balance Reconciliation	-	-	-	(\$251,897)	(\$251,897)	-	(\$251,897)	-
Rebudget: Commercial Paper Proceeds	-	-	-	\$5,215,512	\$5,215,512	\$5,215,512	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000,000</b>	<b>\$1,963,615</b>	<b>\$4,963,615</b>	<b>\$5,215,512</b>	<b>(\$251,897)</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Community Energy Department								
Letter of Credit Fees	-	-	\$375,000	-	\$375,000	-	-	\$375,000
Debt Service - Interest - Revolver	-	-	(\$375,000)	-	(\$375,000)	-	-	(\$375,000)
Financing Proceeds/Debt Service - Principal - Revolver (Line of Credit)	-	-	(\$15,000,000)	-	(\$15,000,000)	(\$15,000,000)	-	-
Debt Service - Interest - Commercial Paper	-	-	(\$460,000)	-	(\$460,000)	-	-	(\$460,000)
Debt Service - Principal - Commercial Paper	-	-	(\$7,500,000)	-	(\$7,500,000)	-	-	(\$7,500,000)
Operations and Maintenance Reserve	-	-	\$7,960,000	-	\$7,960,000	-	-	\$7,960,000
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,000,000)</b>	<b>\$0</b>	<b>(\$15,000,000)</b>	<b>(\$15,000,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>San José Clean Energy Operating Fund (501) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,000,000)</b>	<b>\$1,963,615</b>	<b>(\$10,036,385)</b>	<b>(\$9,784,488)</b>	<b>(\$251,897)</b>	<b>\$0</b>

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>San José-Santa Clara Treatment Plant Income Fund (514)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	(\$84,518)	(\$84,518)	-	(\$84,518)	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$84,518)</b>	<b>(\$84,518)</b>	<b>\$0</b>	<b>(\$84,518)</b>	<b>\$0</b>
<b>San José-Santa Clara Treatment Plant Income Fund (514)</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$84,518)</b>	<b>(\$84,518)</b>	<b>\$0</b>	<b>(\$84,518)</b>	<b>\$0</b>
<b>San José-Santa Clara Treatment Plant Operating Fund (513)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	\$437,149	\$437,149	-	\$437,149	-
Tech Adjust: Overhead	-	-	(\$1,527,640)	\$1,527,640	-	-	-	-
Rebudget: Non-Personal/Equipment (Nine Par Groundwater)	-	\$80,000	-	(\$80,000)	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$80,000</b>	<b>(\$1,527,640)</b>	<b>\$1,884,789</b>	<b>\$437,149</b>	<b>\$0</b>	<b>\$437,149</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Environmental Services Department								
Personal Services (Climate Smart San José)	(\$50,000)	-	-	-	(\$50,000)	-	-	(\$50,000)
Ending Fund Balance Adjustment	-	-	-	\$75,572	\$75,572	-	-	\$75,572

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Overhead	-	-	(\$25,572)	-	(\$25,572)	-	-	(\$25,572)
<b>Budget Adjustments Total</b>	<b>(\$50,000)</b>	<b>\$0</b>	<b>(\$25,572)</b>	<b>\$75,572</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>San José-Santa Clara Treatment Plant Operating Fund (513)</b>								
<b>TOTAL</b>	<b>(\$50,000)</b>	<b>\$80,000</b>	<b>(\$1,553,212)</b>	<b>\$1,960,361</b>	<b>\$437,149</b>	<b>\$0</b>	<b>\$437,149</b>	<b>\$0</b>
<b>Sewage Treatment Plant Connection Fee Fund (539)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department	Fund Balance Reconciliation - Treatment Plant Expansion Reserve							
	-	-	\$349,527	-	\$349,527	-	\$349,527	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>
<b>Sewage Treatment Plant Connection Fee Fund (539) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>	<b>\$349,527</b>	<b>\$0</b>
<b>Sewer Service And Use Charge Fund (541)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department	Fund Balance Reconciliation							
	-	-	-	\$569,984	\$569,984	-	\$569,984	-
Transportation Department	Tech Adjust: Overhead							
	-	-	(\$255,284)	\$255,284	-	-	-	-
	Rebudget: Non-Personal/Equipment (Combo Cleaner Replacement)							
	-	\$260,000	-	(\$260,000)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$260,000</b>	<b>(\$255,284)</b>	<b>\$565,268</b>	<b>\$569,984</b>	<b>\$0</b>	<b>\$569,984</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Environmental Services Department	Ending Fund Balance Adjustment							
	-	-	-	(\$45,000)	(\$45,000)	-	-	(\$45,000)

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Department/Proposal		Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Transportation Department	Non-Personal/Equipment (Dump Truck Rental)	-	\$45,000	-	-	\$45,000	-	-	\$45,000
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$45,000</b>	<b>\$0</b>	<b>(\$45,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sewer Service And Use Charge Fund (541) TOTAL</b>		<b>\$0</b>	<b>\$305,000</b>	<b>(\$255,284)</b>	<b>\$520,268</b>	<b>\$569,984</b>	<b>\$0</b>	<b>\$569,984</b>	<b>\$0</b>
<b>South Bay Water Recycling Operating Fund (570)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Environmental Services Department									
	Tech Adjust: Overhead	-	-	\$6,907	(\$6,907)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$6,907</b>	<b>(\$6,907)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Budget Adjustments</b>									
Environmental Services Department									
	Non-Personal/Equipment (Contractual Services)	-	\$1,100,000	-	-	\$1,100,000	-	-	\$1,100,000
	Ending Fund Balance Adjustment	-	-	-	(\$1,100,000)	(\$1,100,000)	-	-	(\$1,100,000)
<b>Budget Adjustments Total</b>		<b>\$0</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>(\$1,100,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>South Bay Water Recycling Operating Fund (570) TOTAL</b>		<b>\$0</b>	<b>\$1,100,000</b>	<b>\$6,907</b>	<b>(\$1,106,907)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>St. James Park Management District Fund (345)</b>									
<b>Clean-Up and Rebudget Actions</b>									
Parks, Recreation and Neighborhood Services Department									
	Fund Balance Reconciliation	-	-	-	\$709,206	\$709,206	-	\$709,206	-
	Tech Adjust: Overhead	-	-	(\$6,549)	\$6,549	-	-	-	-
	Rebudget: Non-Personal/Equipment (Mower)	-	\$25,000	-	(\$25,000)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$0</b>	<b>\$25,000</b>	<b>(\$6,549)</b>	<b>\$690,755</b>	<b>\$709,206</b>	<b>\$0</b>	<b>\$709,206</b>	<b>\$0</b>

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Budget Adjustments</b>								
Parks, Recreation and Neighborhood Services Department	Personal Services (St. James Placemaking - reallocation of funding from General Fund)	\$12,165	-	-	\$12,165	-	-	\$12,165
	Ending Fund Balance Adjustment	-	-	(\$12,165)	(\$12,165)	-	-	(\$12,165)
	<b>Budget Adjustments Total</b>	<b>\$12,165</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,165)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>St. James Park Management District Fund (345) TOTAL</b>	<b>\$12,165</b>	<b>\$25,000</b>	<b>(\$6,549)</b>	<b>\$678,590</b>	<b>\$0</b>	<b>\$709,206</b>	<b>\$0</b>
<b>State Drug Forfeiture Fund (417)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Police Department	Fund Balance Reconciliation	-	-	\$62,221	\$62,221	-	\$62,221	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,221</b>	<b>\$0</b>	<b>\$62,221</b>	<b>\$0</b>
	<b>State Drug Forfeiture Fund (417) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,221</b>	<b>\$0</b>	<b>\$62,221</b>	<b>\$0</b>
<b>Storm Sewer Operating Fund (446)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department	Fund Balance Reconciliation	-	-	(\$602,355)	(\$602,355)	-	(\$602,355)	-
Transportation Department	Tech Adjust: Overhead	-	-	(\$24,889)	\$24,889	-	-	-
	Rebudget: Non-Personal/Equipment (Street Sweeper Replacement)	-	\$100,000	(\$100,000)	-	-	-	-
	<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$100,000</b>	<b>(\$24,889)</b>	<b>(\$677,466)</b>	<b>\$0</b>	<b>(\$602,355)</b>	<b>\$0</b>

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Budget Adjustments</b>								
Environmental Services Department								
Ending Fund Balance Adjustment	-	-	-	(\$15,613)	(\$15,613)	-	-	(\$15,613)
Transportation Department								
Overhead	-	-	\$15,613	-	\$15,613	-	-	\$15,613
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,613</b>	<b>(\$15,613)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Storm Sewer Operating Fund (446) TOTAL</b>	<b>\$0</b>	<b>\$100,000</b>	<b>(\$9,276)</b>	<b>(\$693,079)</b>	<b>(\$602,355)</b>	<b>\$0</b>	<b>(\$602,355)</b>	<b>\$0</b>
<b>Supplemental Law Enforcement Services Fund (414)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Police Department Fund Balance Reconciliation								
	-	-	-	(\$98,542)	(\$98,542)	-	(\$98,542)	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$98,542)</b>	<b>(\$98,542)</b>	<b>\$0</b>	<b>(\$98,542)</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Police Department SLES Grant 2015-2017/Revenue from State of California (Interest Earnings)								
	-	-	\$1,302	-	\$1,302	\$1,302	-	-
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,302</b>	<b>\$0</b>	<b>\$1,302</b>	<b>\$1,302</b>	<b>\$0</b>	<b>\$0</b>
<b>Supplemental Law Enforcement Services Fund (414) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,302</b>	<b>(\$98,542)</b>	<b>(\$97,240)</b>	<b>\$1,302</b>	<b>(\$98,542)</b>	<b>\$0</b>
<b>Transient Occupancy Tax Fund (461)</b>								
<b>Clean-Up and Rebudget Actions</b>								
City Manager - Office of Economic Development								
Fund Balance Reconciliation	-	-	-	\$4,102,938	\$4,102,938	-	\$4,102,938	-
Rebudget: Cultural Grants	-	-	\$2,324,668	(\$2,324,668)	-	-	-	-
Rebudget: San José Convention and Visitors Bureau	-	-	\$464,643	(\$464,643)	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,789,311</b>	<b>\$1,313,627</b>	<b>\$4,102,938</b>	<b>\$0</b>	<b>\$4,102,938</b>	<b>\$0</b>

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Budget Adjustments</b>								
City Manager - Office of Economic Development								
Cultural Grants (TOT Revenue Reconciliation)	-	-	\$335,067	-	\$335,067	-	-	\$335,067
Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)	-	-	\$652,375	-	\$652,375	-	-	\$652,375
San José Convention and Visitors Bureau (TOT Revenue Reconciliation)	-	-	\$326,187	-	\$326,187	-	-	\$326,187
Ending Fund Balance Adjustment (TOT Revenue Reconciliation)	-	-	-	(\$1,313,629)	(\$1,313,629)	-	-	(\$1,313,629)
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,313,629</b>	<b>(\$1,313,629)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Transient Occupancy Tax Fund (461) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,102,940</b>	<b>(\$2)</b>	<b>\$4,102,938</b>	<b>\$0</b>	<b>\$4,102,938</b>	<b>\$0</b>
<b>Vehicle Maintenance And Operations Fund (552)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Public Works Department								
Fund Balance Reconciliation	-	-	-	(\$80,524)	(\$80,524)	-	(\$80,524)	-
Tech Adjust: Overhead	-	-	(\$8,727)	\$8,727	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,727)</b>	<b>(\$71,797)</b>	<b>(\$80,524)</b>	<b>\$0</b>	<b>(\$80,524)</b>	<b>\$0</b>
<b>Vehicle Maintenance And Operations Fund (552) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,727)</b>	<b>(\$71,797)</b>	<b>(\$80,524)</b>	<b>\$0</b>	<b>(\$80,524)</b>	<b>\$0</b>



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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
<b>Water Utility Fund (515)</b>								
<b>Clean-Up and Rebudget Actions</b>								
Environmental Services Department								
Fund Balance Reconciliation	-	-	-	\$1,085,701	\$1,085,701	-	\$1,085,701	-
Tech Adjust: Overhead	-	-	(\$142,496)	\$142,496	-	-	-	-
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$142,496)</b>	<b>\$1,228,197</b>	<b>\$1,085,701</b>	<b>\$0</b>	<b>\$1,085,701</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
Environmental Services Department								
Transfer to the General Fund - Late Fees	-	-	\$91,770	-	\$91,770	-	-	\$91,770
Ending Fund Balance Adjustment	-	-	-	(\$91,770)	(\$91,770)	-	-	(\$91,770)
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$91,770</b>	<b>(\$91,770)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Water Utility Fund (515) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$50,726)</b>	<b>\$1,136,427</b>	<b>\$1,085,701</b>	<b>\$0</b>	<b>\$1,085,701</b>	<b>\$0</b>
<b>Workforce Development Fund (290)</b>								
<b>Clean-Up and Rebudget Actions</b>								
City Manager - Office of Economic Development								
Fund Balance Reconciliation	-	-	-	\$488,729	\$488,729	-	\$488,729	-
City Attorney's Office	-	-	\$10,694	(\$10,694)	-	-	-	-
City Manager - Office of Economic Development	-	-	-	\$2,520,438	\$2,520,438	\$2,520,438	-	-
Rebudget: Revenue from Federal Government	-	-	\$4,166	(\$4,166)	-	-	-	-
Rebudget: Administration	-	-	\$534,140	(\$534,140)	-	-	-	-
Rebudget: Adult Workers	-	-	-	-	-	-	-	-
Rebudget: BusinessOwnerSpace.com Network	-	-	\$2,330	(\$2,330)	-	-	-	-

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Rebudget: CalJOBS VOS Enhancement: Touch Screen Technology Project	-	-	\$3,564	(\$3,564)	-	-	-	-
Rebudget: Career Pathway Trust	-	-	(\$14,344)	\$14,344	-	-	-	-
Rebudget: Dislocated Workers	-	-	\$1,490,582	(\$1,490,582)	-	-	-	-
Rebudget: National Dislocated Worker Grant - Storm Event	-	-	\$42,388	(\$42,388)	-	-	-	-
Rebudget: Proposition 39 Pre-Apprenticeship Grant Project	-	-	(\$96,844)	\$96,844	-	-	-	-
Rebudget: Ready to Work Partnership Initiative Grant Project	-	-	\$18,271	(\$18,271)	-	-	-	-
Rebudget: Regional Plan Development Project	-	-	(\$145,168)	\$145,168	-	-	-	-
Rebudget: Sector Partnership National Emergency Grant (NEG)	-	-	(\$100,000)	\$100,000	-	-	-	-
Rebudget: Youth Workers	-	-	(\$152,059)	\$152,059	-	-	-	-
Rebudget: Rapid Response Grant	-	-	\$15,611	(\$15,611)	-	-	-	-
<b>Clean-Up and Rebudget Actions</b>								
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,613,331</b>	<b>\$1,395,836</b>	<b>\$3,009,167</b>	<b>\$2,520,438</b>	<b>\$488,729</b>	<b>\$0</b>
<b>Budget Adjustments</b>								
City Attorney's Office								
Administrative Costs	-	-	(\$57,423)	-	(\$57,423)	-	-	(\$57,423)
City Manager - Office of Economic Development								
Revenue from Federal Government Administration - City Attorney's Office	-	-	\$39,822	-	\$39,822	-	-	\$39,822
Adult Workers	-	-	(\$225,779)	-	(\$225,779)	-	-	(\$225,779)

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Department/Proposal	Personal Services	Non-Personal Equipment	Use Other	Ending Fund Balance	Total Use	Source Revenue	Beg Fund Balance	Net Cost
Dislocated Workers	-	-	(\$115,825)	-	(\$115,825)	-	-	(\$115,825)
Rapid Response Grant	-	-	(\$108,882)	-	(\$108,882)	-	-	(\$108,882)
Youth Workers	-	-	(\$248,367)	-	(\$248,367)	-	-	(\$248,367)
Ending Fund Balance Adjustment	-	-	-	(\$1,360,041)	(\$1,360,041)	-	-	(\$1,360,041)
<b>Budget Adjustments Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$716,454)</b>	<b>(\$1,360,041)</b>	<b>(\$2,076,495)</b>	<b>(\$2,076,495)</b>	<b>\$0</b>	<b>\$0</b>
<b>Workforce Development Fund (290) TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$896,877</b>	<b>\$35,795</b>	<b>\$932,672</b>	<b>\$443,943</b>	<b>\$488,729</b>	<b>\$0</b>

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Airport Capital Improvement Fund (520)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$7,401,607	\$7,401,607			\$7,401,607
Fund Balance Reconciliation					\$(8,753,173)	\$8,753,173
Fund Balance Reconciliation		\$(8,753,173)	\$(8,753,173)			\$(8,753,173)
Rebudget: Lighting System Upgrade for CAT II Approach	\$114,000		\$114,000			\$114,000
Rebudget: Perimeter Security Technology Infrastructure	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Revenue from Federal Government (Lighting System Upgrade For CAT II Approach)				\$114,000		\$(114,000)
Rebudget: Revenue from Federal Government (Perimeter Security Technology Infrastructure)				\$(1,000)		\$1,000
Rebudget: Revenue from Federal Government (Runway Pavement Rehabilitation)				\$110,000		\$(110,000)
Rebudget: Revenue from Federal Government (Taxiway A/B Part 139 Separation)				\$25,000		\$(25,000)
Rebudget: Revenue from Federal Government (Terminal B Ramp Rehabilitation)				\$31,000		\$(31,000)
Rebudget: Revenue from Federal Government (Zero Emissions Buses)				\$(14,000)		\$14,000
Rebudget: Revenue from the Federal Government (Airport Improvement Program Grants)				\$7,401,607		\$(7,401,607)
Rebudget: Runway Pavement Rehabilitation	\$110,000		\$110,000			\$110,000
Rebudget: Taxiway A/B Part 139 Separation	\$25,000		\$25,000			\$25,000
Rebudget: Terminal B Ramp Rehabilitation	\$31,000		\$31,000			\$31,000
Rebudget: Zero Emissions Buses	\$(14,000)		\$(14,000)			\$(14,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$265,000</b>	<b>\$(1,351,566)</b>	<b>\$(1,086,566)</b>	<b>\$7,666,607</b>	<b>\$(8,753,173)</b>	
Airfield Geometric Implementation	\$(2,000,000)		\$(2,000,000)			\$(2,000,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Airport Capital Improvement Fund (520)</b>						
Ending Fund Balance Adjustment		\$2,000,000	\$2,000,000			\$2,000,000
<b>Budget Adjustments TOTAL</b>	<b>\$(2,000,000)</b>	<b>\$2,000,000</b>				
<b>Airport Capital Improvement Fund (520) TOTAL</b>	<b>\$(1,735,000)</b>	<b>\$648,434</b>	<b>\$(1,086,566)</b>	<b>\$7,666,607</b>	<b>\$(8,753,173)</b>	
<b>Airport Passenger Facility Charge Fund (529)</b>						
Fund Balance Reconciliation					\$4,015,488	\$(4,015,488)
Fund Balance Reconciliation		\$4,015,488	\$4,015,488			\$4,015,488
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$4,015,488</b>	<b>\$4,015,488</b>		<b>\$4,015,488</b>	
<b>Airport Passenger Facility Charge Fund (529) TOTAL</b>		<b>\$4,015,488</b>	<b>\$4,015,488</b>		<b>\$4,015,488</b>	
<b>Airport Renewal and Replacement Fund (527)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(370,000)	\$(370,000)			\$(370,000)
Fund Balance Reconciliation					\$6,412,931	\$(6,412,931)
Fund Balance Reconciliation		\$6,412,931	\$6,412,931			\$6,412,931
Rebudget: Advanced Planning	\$80,000		\$80,000			\$80,000
Rebudget: Airfield Electrical Circuit Rehabilitation	\$24,000		\$24,000			\$24,000
Rebudget: Land Improvements	\$4,000		\$4,000			\$4,000
Rebudget: Lighting System Upgrade For CAT II Approach	\$(103,000)		\$(103,000)			\$(103,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Airport Renewal and Replacement Fund (527)</b>						
Rebudget: Operations System Replacement	\$(35,000)		\$(35,000)			\$(35,000)
Rebudget: Public Art Funding	\$(10,000)		\$(10,000)			\$(10,000)
Rebudget: Terminal B Ramp Rehabilitation	\$794,000		\$794,000			\$794,000
Rebudget: Terminal Building Modifications	\$87,000		\$87,000			\$87,000
Rebudget: Terminal Facility Gap Plan	\$(523,000)		\$(523,000)			\$(523,000)
Rebudget: Terminal Space Buildout	\$22,000		\$22,000			\$22,000
Rebudget: Zero Emissions Buses	\$30,000		\$30,000			\$30,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$370,000</b>	<b>\$6,042,931</b>	<b>\$6,412,931</b>		<b>\$6,412,931</b>	
Ending Fund Balance Adjustment		\$(235,000)	\$(235,000)			\$(235,000)
Interim Terminal Facility - Six Gates (Reallocation to the Airport Revenue Bond Improvement Fund)	\$(58,000,000)		\$(58,000,000)			\$(58,000,000)
Network Replacement	\$233,000		\$233,000			\$233,000
Southeast Ramp Reconstruction	\$2,000		\$2,000			\$2,000
Transfer from Airport Surplus Revenue Fund				\$(58,000,000)		\$58,000,000
<b>Budget Adjustments TOTAL</b>	<b>\$(57,765,000)</b>	<b>\$(235,000)</b>	<b>\$(58,000,000)</b>	<b>\$(58,000,000)</b>		
<b>Airport Renewal and Replacement Fund (527) TOTAL</b>	<b>\$(57,395,000)</b>	<b>\$5,807,931</b>	<b>\$(51,587,069)</b>	<b>\$(58,000,000)</b>	<b>\$6,412,931</b>	
<b>Airport Revenue Bond Improvement Fund (526)</b>						
Fund Balance Reconciliation					\$546,763	\$(546,763)
Fund Balance Reconciliation		\$546,763	\$546,763			\$546,763
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$546,763</b>	<b>\$546,763</b>		<b>\$546,763</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Airport Revenue Bond Improvement Fund (526)</b>						
Financing Proceeds (Commercial Paper)				\$58,000,000		\$(58,000,000)
Ending Fund Balance Adjustment		\$(634,000)	\$(634,000)			\$(634,000)
Interim Terminal Facility - Six Gates (Reallocation from the Airport Renewal and Replacement Fund)	\$58,000,000		\$58,000,000			\$58,000,000
Perimeter Fence Line Upgrades	\$241,000		\$241,000			\$241,000
Terminal Area Improvement Phase I	\$358,000		\$358,000			\$358,000
Terminal B Gates 29 & 30	\$35,000		\$35,000			\$35,000
<b>Budget Adjustments TOTAL</b>	<b>\$58,634,000</b>	<b>\$(634,000)</b>	<b>\$58,000,000</b>	<b>\$58,000,000</b>		
<b>Airport Revenue Bond Improvement Fund (526) TOTAL</b>	<b>\$58,634,000</b>	<b>\$(87,237)</b>	<b>\$58,546,763</b>	<b>\$58,000,000</b>	<b>\$546,763</b>	
<b>Branch Libraries Bond Projects Fund (472)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(192,000)	\$(192,000)			\$(192,000)
Fund Balance Reconciliation					\$500,340	\$(500,340)
Fund Balance Reconciliation		\$500,340	\$500,340			\$500,340
Rebudget: Branch Efficiency Projects	\$192,000		\$192,000			\$192,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$192,000</b>	<b>\$308,340</b>	<b>\$500,340</b>		<b>\$500,340</b>	
Branch Efficiency Projects	\$300,000		\$300,000			\$300,000
Ending Fund Balance Adjustment		\$(300,000)	\$(300,000)			\$(300,000)
<b>Budget Adjustments TOTAL</b>	<b>\$300,000</b>	<b>\$(300,000)</b>				
<b>Branch Libraries Bond Projects Fund (472) TOTAL</b>	<b>\$492,000</b>	<b>\$8,340</b>	<b>\$500,340</b>		<b>\$500,340</b>	

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	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue Beg Fund Balance	
<b>Building and Structure Construction Tax Fund (429)</b>					
Rebudget: Revenue from the Federal Government (TCSP - Autumn Street Extension)				\$197,000	\$(197,000)
Ending Fund Balance Adjustment: Rebudgets		\$(7,081,000)	\$(7,081,000)		\$(7,081,000)
Fund Balance Reconciliation				\$8,381,458	\$(8,381,458)
Fund Balance Reconciliation		\$8,381,458	\$8,381,458		\$8,381,458
Rebudget: Autumn Street Extension	\$1,943,000		\$1,943,000		\$1,943,000
Rebudget: BART Policy and Planning Phase 2	\$384,000		\$384,000		\$384,000
Rebudget: Berryessa Urban Village Transportation Study					
Rebudget: Chynoweth Sidewalk Project	\$75,000		\$75,000		\$75,000
Rebudget: City-Wide Transit Improvements	\$25,000		\$25,000		\$25,000
Rebudget: East Santa Clara Street Bridge at Coyote Creek	\$55,000		\$55,000		\$55,000
Rebudget: Fiber Optics Asset Management	\$1,000		\$1,000		\$1,000
Rebudget: Grant Management	\$149,000		\$149,000		\$149,000
Rebudget: Grants Refunds	\$500,000		\$500,000		\$500,000
Rebudget: ITS: On-Call Fiber Optic Support					
Rebudget: ITS: Transportation Incident Management Center	\$270,000		\$270,000		\$270,000
Rebudget: LED Streetlight Conversion	\$396,000		\$396,000		\$396,000
Rebudget: LED Streetlight Program					



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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Building and Structure Construction Tax Fund (429)</b>						
Rebudget: McKee Road Corridor Safety Improvements	\$239,000		\$239,000			\$239,000
Rebudget: McLaughlin Avenue Pedestrian/Bike Safety Enhancements	\$304,000		\$304,000			\$304,000
Rebudget: North First Street Bicycle Lane Improvements	\$14,000		\$14,000			\$14,000
Rebudget: Ocala Avenue Pedestrian Improvements	\$56,000		\$56,000			\$56,000
Rebudget: Other Revenue (Miscellaneous Revenue - US 101/Blossom Hill Road Interchange)				\$3,794,000		\$(3,794,000)
Rebudget: Park Avenue Bicycle Lane Improvements	\$118,000		\$118,000			\$118,000
Rebudget: Park Avenue Multimodal Improvements	\$244,000		\$244,000			\$244,000
Rebudget: Public Art	\$(28,000)		\$(28,000)			\$(28,000)
Rebudget: Regional Rail Planning	\$124,000		\$124,000			\$124,000
Rebudget: Revenue from Local Agencies (VRF - Fiber Optics Asset Management)				\$30,000		\$(30,000)
Rebudget: Revenue from Local Agencies (VRF - On-Call Fiber Optic Support)				\$20,000		\$(20,000)
Rebudget: Revenue from Local Agencies (VRF - VIDS Communication Modules Upgrade)				\$17,000		\$(17,000)
Rebudget: Revenue from the Federal Government (CDT - St. John Street Multimodal Improvements Phase I)				\$12,000		\$(12,000)
Rebudget: Revenue from the Federal Government (HBP - East Santa Clara Street Bridge at Coyote Creek)				\$11,000		\$(11,000)
Rebudget: Revenue from the Federal Government (HPP - Transportation Management Center)				\$432,000		\$(432,000)

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	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Revenue	Beg Fund Balance	
<b>Building and Structure Construction Tax Fund (429)</b>					
	Rebudget: Revenue from the Federal Government (HSIP - Park Avenue Bicycle Lane Improvements)			\$1,000	\$(1,000)
	Rebudget: Revenue from the Federal Government (MTC - San Carlos Streetscape Improvements Phase 2)			\$662,000	\$(662,000)
	Rebudget: Revenue from the Federal Government (OBAG - Smart Intersections Program)			\$5,000	\$(5,000)
	Rebudget: Revenue from the Federal Government (OBAG - The Alameda "Beautiful Way" Phase 2)			\$(31,000)	\$31,000
	Rebudget: Route 101/Blossom Hill Road Interchange	\$3,169,000	\$3,169,000		\$3,169,000
	Rebudget: Route 101/Mabury Road Project Development	\$1,663,000	\$1,663,000		\$1,663,000
	Rebudget: Route 280/Winchester Interchange Upgrade Study	\$122,000	\$122,000		\$122,000
	Rebudget: Safety - Pedestrian Improvements	\$217,000	\$217,000		\$217,000
	Rebudget: Safety - Traffic Education (Senter and Monterey Corridors)	\$7,000	\$7,000		\$7,000
	Rebudget: Safety - Traffic Signal Modifications/Construction	\$405,000	\$405,000		\$405,000
	Rebudget: Safety - Traffic Signal Rehabilitation	\$81,000	\$81,000		\$81,000
	Rebudget: San Carlos Street Multimodal Streetscape Improvements - Phase 2	\$299,000	\$299,000		\$299,000
	Rebudget: Senter Road Multimodal Safety Study	\$20,000	\$20,000		\$20,000
	Rebudget: Senter Road Pedestrian Safety Improvements	\$105,000	\$105,000		\$105,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Building and Structure Construction Tax Fund (429)</b>						
Rebudget: Smart Intersections Program (OBAG)	\$ (23,000)		\$ (23,000)			\$ (23,000)
Rebudget: St. John Bike/Pedestrian Improvements (OBAG)	\$ 135,000		\$ 135,000			\$ 135,000
Rebudget: St. John Street Multimodal Improvements Phase I	\$ 7,000		\$ 7,000			\$ 7,000
Rebudget: The Alameda Beautiful Way Phase 2 (OBAG)	\$ 71,000		\$ 71,000			\$ 71,000
Rebudget: Transportation Data, Forecasting and Analysis	\$ 191,000		\$ 191,000			\$ 191,000
Rebudget: Transportation Management Center	\$ 272,000		\$ 272,000			\$ 272,000
Rebudget: Tully Road Corridor Safety Improvements	\$ 232,000		\$ 232,000			\$ 232,000
Rebudget: Underground Utilities - City Conversions	\$ 262,000		\$ 262,000			\$ 262,000
Rebudget: Vehicle Registration Fee (VRF): VIDS Communication Modules Upgrade	\$ 2,000		\$ 2,000			\$ 2,000
Rebudget: West San Jose Transportation Planning & Implementation	\$ 51,000		\$ 51,000			\$ 51,000
Rebudget: White Road Pedestrian Safety Improvements	\$ 74,000		\$ 74,000			\$ 74,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$ 12,231,000</b>	<b>\$ 1,300,458</b>	<b>\$ 13,531,458</b>	<b>\$ 5,150,000</b>	<b>\$ 8,381,458</b>	
Autumn Street Extension	\$ 163,000		\$ 163,000			\$ 163,000
Berryessa Urban Village Transportation Study	\$ 300,000		\$ 300,000			\$ 300,000
Ending Fund Balance Adjustment		\$ (1,188,639)	\$ (1,188,639)			\$ (1,188,639)
North San José New Development Reserve	\$ 259,970		\$ 259,970			\$ 259,970
Route 101/Oakland/Mabury New Development Reserve	\$ 434,669		\$ 434,669			\$ 434,669
Transportation Data, Forecasting and Analysis	\$ 31,000		\$ 31,000			\$ 31,000
<b>Budget Adjustments TOTAL</b>	<b>\$ 1,188,639</b>	<b>\$ (1,188,639)</b>				
<b>Building and Structure Construction Tax Fund (429) TOTAL</b>	<b>\$ 13,419,639</b>	<b>\$ 111,819</b>	<b>\$ 13,531,458</b>	<b>\$ 5,150,000</b>	<b>\$ 8,381,458</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Communications Construction and Conveyance Tax Fund (397)</b>						
Fund Balance Reconciliation					\$274,819	\$(274,819)
Fund Balance Reconciliation		\$274,819	\$274,819			\$274,819
Tech Adjust: Revenue from Use of Money/Property (Interest Income)				\$1,000		\$(1,000)
Tech Adjust: Transfer to the General Fund - Interest Income	\$1,000		\$1,000			\$1,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$1,000</b>	<b>\$274,819</b>	<b>\$275,819</b>	<b>\$1,000</b>	<b>\$274,819</b>	
<b>Communications Construction and Conveyance Tax Fund (397) TOTAL</b>	<b>\$1,000</b>	<b>\$274,819</b>	<b>\$275,819</b>	<b>\$1,000</b>	<b>\$274,819</b>	
<b>Construction Excise Tax Fund (465)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(1,017,000)	\$(1,017,000)			\$(1,017,000)
Fund Balance Reconciliation					\$2,209,343	\$(2,209,343)
Fund Balance Reconciliation		\$2,209,343	\$2,209,343			\$2,209,343
Fund Balance Reconciliation - Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	\$266,000		\$266,000			\$266,000
Fund Balance Reconciliation - Route 101/Old Oakland Road Improvements	\$1,784,000		\$1,784,000			\$1,784,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Fund Balance Reconciliation - Evergreen Traffic Impact Fee					\$129,580	\$(129,580)
Fund Balance Reconciliation - Evergreen Traffic Impact Fee Reserve	\$129,580		\$129,580			\$129,580
Fund Balance Reconciliation - I-280/Winchester Boulevard Interchange (Impact Fee)	\$3,341		\$3,341			\$3,341
Fund Balance Reconciliation - I-280 Winchester					\$3,341	\$(3,341)
Fund Balance Reconciliation - Measure B Pavement Maintenance					\$2,835,359	\$(2,835,359)
Fund Balance Reconciliation - North San José Impact Fee					\$4,140,588	\$(4,140,588)
Fund Balance Reconciliation - North San José Improvement - 101/Zanker	\$2,678,000		\$2,678,000			\$2,678,000
Fund Balance Reconciliation - North San José Improvement - 880/Charcot	\$1,169,000		\$1,169,000			\$1,169,000
Fund Balance Reconciliation - Pavement Maintenance - State Gas Tax	\$2,302,124		\$2,302,124			\$2,302,124
Fund Balance Reconciliation - Pavement Maintenance Measure B	\$2,835,359		\$2,835,359			\$2,835,359
Fund Balance Reconciliation - Route 101/Mabury Road Project Development	\$114,000		\$114,000			\$114,000
Fund Balance Reconciliation - Route 101/Oakland/Mabury					\$6,390,093	\$(6,390,093)
Fund Balance Reconciliation - Route 101/Oakland/Mabury Traffic Impact Fees Reserve	\$4,492,093		\$4,492,093			\$4,492,093
Fund Balance Reconciliation - Route 101/Trimble/De La Cruz Interchange Improvement	\$293,588		\$293,588			\$293,588
Fund Balance Reconciliation - State Gas Tax					\$2,568,124	\$(2,568,124)
Rebudget: 2017 Flood - Alum Rock Park Falls Road Reconstruction	\$291,000		\$291,000			\$291,000
Rebudget: 2017 Flood - Sierra Road Reconstruction	\$239,000		\$239,000			\$239,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Rebudget: ADA Sidewalk Accessibility Program	\$65,000		\$65,000			\$65,000
Rebudget: Almaden/Vine Downtown Couplet (OBAG)	\$148,000		\$148,000			\$148,000
Rebudget: BART Design and Construction Support	\$24,000		\$24,000			\$24,000
Rebudget: BART Policy and Planning	\$227,000		\$227,000			\$227,000
Rebudget: BART Program Management	\$4,000		\$4,000			\$4,000
Rebudget: Better Bikeways (OBAG)	\$11,000		\$11,000			\$11,000
Rebudget: Bicycle and Pedestrian Facilities	\$167,000		\$167,000			\$167,000
Rebudget: Bike/Pedestrian Development	\$22,000		\$22,000			\$22,000
Rebudget: Bridge Maintenance and Repair	\$70,000		\$70,000			\$70,000
Rebudget: Bus Rapid Transit - Santa Clara/Alum Rock	\$5,000		\$5,000			\$5,000
Rebudget: City-Wide Emergency Repairs	\$4,000		\$4,000			\$4,000
Rebudget: East San José Multimodal Transportation Improvement Plan	\$(11,000)		\$(11,000)			\$(11,000)
Rebudget: Fiber Optics Permit Engineering	\$4,000		\$4,000			\$4,000
Rebudget: Grants Refunds	\$271,000		\$271,000			\$271,000
Rebudget: Habitat Conservation Plan - Nitrogen Deposition Fee	\$13,000		\$13,000			\$13,000
Rebudget: Hedding Complete Street and Safety Project	\$15,000		\$15,000			\$15,000
Rebudget: High Speed Rail	\$36,000		\$36,000			\$36,000
Rebudget: Infrastructure Management System - Traffic	\$96,000		\$96,000			\$96,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Rebudget: Inter-Agency Encroachment Permit	\$6,000		\$6,000			\$6,000
Rebudget: Jackson Avenue Complete Streets (OBAG)	\$29,000		\$29,000			\$29,000
Rebudget: Kirk Avenue Sidewalk Improvements						
Rebudget: LED Traffic Signal Lamp Replacement	\$577,000		\$577,000			\$577,000
Rebudget: Local Transportation Policy and Planning	\$250,000		\$250,000			\$250,000
Rebudget: Miscellaneous Street Improvements	\$101,000		\$101,000			\$101,000
Rebudget: Neighborhood Traffic Calming	\$117,000		\$117,000			\$117,000
Rebudget: North San José Deficiency Plan Improvements	\$(62,000)		\$(62,000)			\$(62,000)
Rebudget: Pavement Maintenance - City	\$(817,000)		\$(817,000)			\$(817,000)
Rebudget: Pavement Maintenance - Complete Street Project Development	\$318,000		\$318,000			\$318,000
Rebudget: Pedestrian Safety in Districts 6 and 9: Branham Lane Road Diet	\$50,000		\$50,000			\$50,000
Rebudget: Planning, Building and Code Enforcement Transportation Support	\$25,000		\$25,000			\$25,000
Rebudget: Pomona Avenue and Cottage Grove Safety Enhancements	\$16,000		\$16,000			\$16,000
Rebudget: Regional Rail Planning	\$183,000		\$183,000			\$183,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Rebudget: Revenue from State of California (TDA - Bicycle and Pedestrian Facilities)				\$2,313,000		\$(2,313,000)
Rebudget: Revenue from the Federal Government (CIF - SJ TDM)				\$184,000		\$(184,000)
Rebudget: Revenue from the Federal Government (VERBS - Walk n Roll Phase 2)				\$362,000		\$(362,000)
Rebudget: Rosemary Gardens Neighborhood Improvements	\$6,000		\$6,000			\$6,000
Rebudget: Safe Pathways to Diridon Station	\$116,000		\$116,000			\$116,000
Rebudget: Safe Routes to School Program (OBAG)	\$17,000		\$17,000			\$17,000
Rebudget: Safety - Neighborhood Traffic Engineering	\$63,000		\$63,000			\$63,000
Rebudget: Safety - Pedestrian Improvements	\$37,000		\$37,000			\$37,000
Rebudget: Safety - Signs & Markings	\$158,000		\$158,000			\$158,000
Rebudget: Safety - Traffic Education	\$105,000		\$105,000			\$105,000
Rebudget: San José Regional Transportation Hub	\$750,000		\$750,000			\$750,000
Rebudget: Signal and Lighting Vehicle Replacement	\$93,000		\$93,000			\$93,000
Rebudget: Street Tree Inventory and Management Plan	\$60,000		\$60,000			\$60,000
Rebudget: Streetlight Wire Replacement	\$32,000		\$32,000			\$32,000
Rebudget: Traffic Signal Preventative Maintenance	\$380,000		\$380,000			\$380,000
Rebudget: Training and Development	\$80,000		\$80,000			\$80,000



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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Rebudget: Transportation Data, Forecasting and Analysis	\$108,000		\$108,000			\$108,000
Rebudget: Transportation Demand Management	\$63,000		\$63,000			\$63,000
Rebudget: Transportation System Technology	\$83,000		\$83,000			\$83,000
Rebudget: Urban Forest Partnership	\$36,000		\$36,000			\$36,000
Rebudget: Vendome Area and 7th Street Traffic Calming	\$124,000		\$124,000			\$124,000
Rebudget: Vision Zero: City-wide Pedestrian Safety and Traffic Calming	\$207,000		\$207,000			\$207,000
Rebudget: Vision Zero: District 6 Pedestrian Safety and Traffic Calming	\$11,000		\$11,000			\$11,000
Rebudget: Walk n' Roll San José Phase 2	\$119,000		\$119,000			\$119,000
Rebudget: Revenue from Developer Contributions (Utility Company Reimbursement - Fiber Optic Permit Fees)				\$6,000		\$(6,000)
Rebudget: Revenue from Local Agencies (VTA: Santa Clara-Alum Rock Bus Rapid Transit)				\$18,000		\$(18,000)
Rebudget: Revenue from State of California (CFMP - Street Tree Inventory & Management Plan)				\$750,000		\$(750,000)
Rebudget: Revenue from State of California (High Speed Rail)				\$46,000		\$(46,000)
Rebudget: Revenue from State of California (SHASC - East San Jose Multimodal Transp Imprvmt Plan)				\$446,000		\$(446,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$21,209,085</b>	<b>\$1,192,343</b>	<b>\$22,401,428</b>	<b>\$4,125,000</b>	<b>\$18,276,428</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Construction Excise Tax Fund (465)</b>						
Bike/Pedestrian Development	\$90,000		\$90,000			\$90,000
Ending Fund Balance Adjustment		\$(500,000)	\$(500,000)			\$(500,000)
Inter-Agency Encroachment Permit	\$250,000		\$250,000			\$250,000
Licenses and Permits (Inter-Agency Encroachment Permits)				\$250,000		\$(250,000)
Pavement Maintenance - City	\$359,000		\$359,000			\$359,000
Revenue from Federal Government (Vision Zero: Multimodal Traffic Safety Education)				\$100,000		\$(100,000)
Revenue from the Local Agencies (Transportation Fund for Clean Air (TFCA) - Bike Rack Installation)				\$90,000		\$(90,000)
Transportation Data, Forecasting and Analysis	\$141,000		\$141,000			\$141,000
Vision Zero: Multimodal Traffic Safety Education	\$100,000		\$100,000			\$100,000
<b>Budget Adjustments TOTAL</b>	<b>\$940,000</b>	<b>\$(500,000)</b>	<b>\$440,000</b>	<b>\$440,000</b>		
<b>Construction Excise Tax Fund (465) TOTAL</b>	<b>\$22,149,085</b>	<b>\$692,343</b>	<b>\$22,841,428</b>	<b>\$4,565,000</b>	<b>\$18,276,428</b>	
<b>Contingent Lien District Fund (634)</b>						
Fund Balance Reconciliation					\$879,239	\$(879,239)
Fund Balance Reconciliation - Evergreen Creek District Reserve	\$117,829		\$117,829			\$117,829
Fund Balance Reconciliation - Evergreen Specific Plan District Reserve	\$15,771		\$15,771			\$15,771
Fund Balance Reconciliation - Silicon Valley Bridge District Reserve	\$15,873		\$15,873			\$15,873

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Contingent Lien District Fund (634)</b>						
Fund Balance Reconciliation - Silver Creek Development District 1A Reserve	\$715,134		\$715,134			\$715,134
Fund Balance Reconciliation - Silver Creek Development District 1B Reserve	\$14,632		\$14,632			\$14,632
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$879,239</b>		<b>\$879,239</b>		<b>\$879,239</b>	
<b>Contingent Lien District Fund (634) TOTAL</b>	<b>\$879,239</b>		<b>\$879,239</b>		<b>\$879,239</b>	
<b>Convention and Cultural Affairs Capital Fund (560)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(2,018,000)	\$(2,018,000)			\$(2,018,000)
Fund Balance Reconciliation				\$3,151,203		\$(3,151,203)
Fund Balance Reconciliation		\$3,151,203	\$3,151,203			\$3,151,203
Rebudget: Center for Performing Arts Rehabilitation	\$100,000		\$100,000			\$100,000
Rebudget: Convention Center Restrooms Upgrade	\$1,200,000		\$1,200,000			\$1,200,000
Rebudget: Montgomery Theater Restroom Remodel	\$446,000		\$446,000			\$446,000
Rebudget: Museum Place Coordination and Review	\$222,000		\$222,000			\$222,000
Rebudget: San José Civic Auditorium HVAC Rehabilitation	\$50,000		\$50,000			\$50,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$2,018,000</b>	<b>\$1,133,203</b>	<b>\$3,151,203</b>		<b>\$3,151,203</b>	
Capital Reserve	\$2,500,000		\$2,500,000			\$2,500,000
Ending Fund Balance Adjustment		\$(1,327,000)	\$(1,327,000)			\$(1,327,000)
Preliminary Engineering - Cultural Facilities	\$100,000		\$100,000			\$100,000
Rehabilitation / Repair - Electrical	\$340,000		\$340,000			\$340,000
Rehabilitation / Repair - Mechanical	\$90,000		\$90,000			\$90,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Convention and Cultural Affairs Capital Fund (560)</b>						
Rehabilitation / Repair - Miscellaneous	\$22,000		\$22,000			\$22,000
Rehabilitation / Repair - Structures	\$25,000		\$25,000			\$25,000
South Hall Site Acquisition Debt Service	\$(1,750,000)		\$(1,750,000)			\$(1,750,000)
<b>Budget Adjustments TOTAL</b>	<b>\$1,327,000</b>	<b>\$(1,327,000)</b>				
<b>Convention and Cultural Affairs Capital Fund (560) TOTAL</b>	<b>\$3,345,000</b>	<b>\$(193,797)</b>	<b>\$3,151,203</b>		<b>\$3,151,203</b>	
<b>Convention Center Facilities District Capital Fund (798)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(382,000)	\$(382,000)			\$(382,000)
Fund Balance Reconciliation					\$579,173	\$(579,173)
Fund Balance Reconciliation		\$579,173	\$579,173			\$579,173
Rebudget: Convention Center Elevator Upgrades	\$122,000		\$122,000			\$122,000
Rebudget: Convention Center Exhibit Hall Lighting and Ceiling Upgrades	\$50,000		\$50,000			\$50,000
Rebudget: Convention Center Restrooms Upgrade	\$210,000		\$210,000			\$210,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$382,000</b>	<b>\$197,173</b>	<b>\$579,173</b>		<b>\$579,173</b>	
Convention Center Concourse Column Covers	\$400,000		\$400,000			\$400,000
Convention Center Elevator Upgrades	\$128,000		\$128,000			\$128,000
Ending Fund Balance Adjustment		\$(128,000)	\$(128,000)			\$(128,000)
Transfers and Reimbursements (Transfer from the Convention Center Facility District Revenue Fund)				\$400,000		\$(400,000)
<b>Budget Adjustments TOTAL</b>	<b>\$528,000</b>	<b>\$(128,000)</b>	<b>\$400,000</b>	<b>\$400,000</b>		
<b>Convention Center Facilities District Capital Fund (798) TOTAL</b>	<b>\$910,000</b>	<b>\$69,173</b>	<b>\$979,173</b>	<b>\$400,000</b>	<b>\$579,173</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 1 Construction and Conveyance Tax Fund (377)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(19,000)	\$(19,000)			\$(19,000)
Fund Balance Reconciliation					\$412,405	\$(412,405)
Fund Balance Reconciliation		\$412,405	\$412,405			\$412,405
Rebudget: Calabazas Community Center Feasibility Study	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Calabazas Community Center Renovation	\$60,000		\$60,000			\$60,000
Rebudget: Council District 1 Public Art	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Gullo Park Renovation	\$3,000		\$3,000			\$3,000
Rebudget: Hathaway Park Renovation	\$1,000		\$1,000			\$1,000
Rebudget: San Tomas Neighborhood Center Improvements	\$(40,000)		\$(40,000)			\$(40,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$19,000</b>	<b>\$393,405</b>	<b>\$412,405</b>		<b>\$412,405</b>	
<b>Council District 1 Construction and Conveyance Tax Fund (377) TOTAL</b>	<b>\$19,000</b>	<b>\$393,405</b>	<b>\$412,405</b>		<b>\$412,405</b>	
<b>Council District 10 Construction and Conveyance Tax Fund (389)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(35,000)	\$(35,000)			\$(35,000)
Fund Balance Reconciliation					\$223,710	\$(223,710)
Fund Balance Reconciliation		\$223,710	\$223,710			\$223,710

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 10 Construction and Conveyance Tax Fund (389)</b>						
Rebudget: Almaden Lake Park Playground Improvements	\$25,000		\$25,000			\$25,000
Rebudget: Council District 10 Public Art	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: TJ Martin and Jeffrey Fontana Landscape Improvements	\$18,000		\$18,000			\$18,000
Rebudget: Waterford Park Improvements	\$(6,000)		\$(6,000)			\$(6,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$35,000</b>	<b>\$188,710</b>	<b>\$223,710</b>		<b>\$223,710</b>	
Ending Fund Balance Adjustment		\$(150,000)	\$(150,000)			\$(150,000)
Waterford Park Park Improvement	\$150,000		\$150,000			\$150,000
<b>Budget Adjustments TOTAL</b>	<b>\$150,000</b>	<b>\$(150,000)</b>				
<b>Council District 10 Construction and Conveyance Tax Fund (389) TOTAL</b>	<b>\$185,000</b>	<b>\$38,710</b>	<b>\$223,710</b>		<b>\$223,710</b>	
<b>Council District 2 Construction and Conveyance Tax Fund (378)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(181,000)	\$(181,000)			\$(181,000)
Fund Balance Reconciliation				\$487,046		\$(487,046)
Fund Balance Reconciliation		\$487,046	\$487,046			\$487,046
Rebudget: Council District 2 Public Art	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Great Oaks Park Improvements	\$29,000		\$29,000			\$29,000
Rebudget: La Colina Park Playground Renovation	\$100,000		\$100,000			\$100,000
Rebudget: Los Paseos Park Lighting	\$25,000		\$25,000			\$25,000
Rebudget: Southside Community Center Restroom Renovation	\$31,000		\$31,000			\$31,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$181,000</b>	<b>\$306,046</b>	<b>\$487,046</b>		<b>\$487,046</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 2 Construction and Conveyance Tax Fund (378)</b>						
Metcalf Park	\$(48,000)		\$(48,000)			\$(48,000)
Metcalf Park Perimeter Fencing	\$48,000		\$48,000			\$48,000
<b>Budget Adjustments TOTAL</b>						
<b>Council District 2 Construction and Conveyance Tax Fund (378) TOTAL</b>	<b>\$181,000</b>	<b>\$306,046</b>	<b>\$487,046</b>		<b>\$487,046</b>	
<b>Council District 3 Construction and Conveyance Tax Fund (380)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$35,000	\$35,000			\$35,000
Fund Balance Reconciliation					\$138,958	\$(138,958)
Fund Balance Reconciliation		\$138,958	\$138,958			\$138,958
Rebudget: Backesto Park Renovation	\$(16,000)		\$(16,000)			\$(16,000)
Rebudget: Biebrach Park Renovation	\$7,000		\$7,000			\$7,000
Rebudget: Bonita Park Improvements	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Council District 3 Public Art	\$(3,000)		\$(3,000)			\$(3,000)
Rebudget: Forestdale Tot Lot Renovation	\$9,000		\$9,000			\$9,000
Rebudget: Martin Park Fixtures, Furnishings and Equipment	\$29,000		\$29,000			\$29,000
Rebudget: Rincon South Park Fixtures, Furnishings and Equipment	\$(36,000)		\$(36,000)			\$(36,000)
Rebudget: Roosevelt Park Improvements	\$(5,000)		\$(5,000)			\$(5,000)
Rebudget: Spartan Keyes/McKinley/ Washington Reuse Centers WiFi	\$18,000		\$18,000			\$18,000
Rebudget: St. James Park Improvements	\$4,000		\$4,000			\$4,000
Rebudget: Watson Site Clean-up and Restoration	\$(60,000)		\$(60,000)			\$(60,000)

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	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue Beg Fund Balance	
<b>Council District 3 Construction and Conveyance Tax Fund (380)</b>					
Rebudget: Willow Street and Graham Street Urban Park	\$20,000		\$20,000		\$20,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$(35,000)</b>	<b>\$173,958</b>	<b>\$138,958</b>	<b>\$138,958</b>	
Ending Fund Balance Adjustment		\$(18,000)	\$(18,000)		\$(18,000)
Forestdale Tot Lot Renovation	\$18,000		\$18,000		\$18,000
<b>Budget Adjustments TOTAL</b>	<b>\$18,000</b>	<b>\$(18,000)</b>			
<b>Council District 3 Construction and Conveyance Tax Fund (380) TOTAL</b>	<b>\$(17,000)</b>	<b>\$155,958</b>	<b>\$138,958</b>	<b>\$138,958</b>	
<b>Council District 4 Construction and Conveyance Tax Fund (381)</b>					
Ending Fund Balance Adjustment: Rebudgets		\$(22,000)	\$(22,000)		\$(22,000)
Fund Balance Reconciliation				\$303,598	\$(303,598)
Fund Balance Reconciliation		\$303,598	\$303,598		\$303,598
Rebudget: Agnews Property Development	\$26,000		\$26,000		\$26,000
Rebudget: Alviso Park Improvements	\$(4,000)		\$(4,000)		\$(4,000)
Rebudget: Council District 4 Park Improvements	\$1,000		\$1,000		\$1,000
Rebudget: Council District 4 Public Art	\$(2,000)		\$(2,000)		\$(2,000)
Rebudget: Noble Modular Neighborhood Center Improvements	\$1,000		\$1,000		\$1,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$22,000</b>	<b>\$281,598</b>	<b>\$303,598</b>	<b>\$303,598</b>	
Ending Fund Balance Reconciliation		\$(20,000)	\$(20,000)		\$(20,000)
Noble Modular Neighborhood Center Improvements	\$20,000		\$20,000		\$20,000
<b>Budget Adjustments TOTAL</b>	<b>\$20,000</b>	<b>\$(20,000)</b>			
<b>Council District 4 Construction and Conveyance Tax Fund (381) TOTAL</b>	<b>\$42,000</b>	<b>\$261,598</b>	<b>\$303,598</b>	<b>\$303,598</b>	



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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 5 Construction and Conveyance Tax Fund (382)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(111,000)	\$(111,000)			\$(111,000)
Fund Balance Reconciliation					\$503,402	\$(503,402)
Fund Balance Reconciliation		\$503,402	\$503,402			\$503,402
Rebudget: Emma Prusch Back Acreage	\$4,000		\$4,000			\$4,000
Rebudget: Emma Prusch Park Security Improvements	\$40,000		\$40,000			\$40,000
Rebudget: Plata Arroyo Park Improvements	\$(9,000)		\$(9,000)			\$(9,000)
Rebudget: TRAIL: Lower Silver Creek Reach 4/5A	\$76,000		\$76,000			\$76,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$111,000</b>	<b>\$392,402</b>	<b>\$503,402</b>		<b>\$503,402</b>	
<b>Council District 5 Construction and Conveyance Tax Fund (382) TOTAL</b>	<b>\$111,000</b>	<b>\$392,402</b>	<b>\$503,402</b>		<b>\$503,402</b>	
<b>Council District 6 Construction and Conveyance Tax Fund (384)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(58,000)	\$(58,000)			\$(58,000)
Fund Balance Reconciliation					\$272,904	\$(272,904)
Fund Balance Reconciliation		\$272,904	\$272,904			\$272,904
Rebudget: Hummingbird Park Playground Renovation	\$(3,000)		\$(3,000)			\$(3,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 6 Construction and Conveyance Tax Fund (384)</b>						
Rebudget: Lincoln Glen Park Playground Renovation	\$38,000		\$38,000			\$38,000
Rebudget: River Glen Neighborhood Center Replacement	\$23,000		\$23,000			\$23,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$58,000</b>	<b>\$214,904</b>	<b>\$272,904</b>		<b>\$272,904</b>	
<b>Council District 6 Construction and Conveyance Tax Fund (384) TOTAL</b>	<b>\$58,000</b>	<b>\$214,904</b>	<b>\$272,904</b>		<b>\$272,904</b>	
<b>Council District 7 Construction and Conveyance Tax Fund (385)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(33,000)	\$(33,000)			\$(33,000)
Fund Balance Reconciliation					\$477,880	\$(477,880)
Fund Balance Reconciliation		\$477,880	\$477,880			\$477,880
Rebudget: Council District 7 Public Art	\$(80,000)		\$(80,000)			\$(80,000)
Rebudget: Roberto Antonio Balermino Park Improvements	\$5,000		\$5,000			\$5,000
Rebudget: Rock Springs Park Playground Improvements	\$75,000		\$75,000			\$75,000
Rebudget: Shirakawa Community Center Renovation	\$19,000		\$19,000			\$19,000
Rebudget: Stonegate Park Improvements	\$(87,000)		\$(87,000)			\$(87,000)
Rebudget: TRAIL: Coyote Creek Fish Passage Remediation/Pedestrian Bridge	\$112,000		\$112,000			\$112,000
Rebudget: Windmill Springs Park Improvements	\$(11,000)		\$(11,000)			\$(11,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$33,000</b>	<b>\$444,880</b>	<b>\$477,880</b>		<b>\$477,880</b>	
Bellevue Park Improvements	\$(30,000)		\$(30,000)			\$(30,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 7 Construction and Conveyance Tax Fund (385)</b>						
Ending Fund Balance Adjustment		\$(279,000)	\$(279,000)			\$(279,000)
TRAIL: Coyote Creek - Story Road Intersection and Trail Enhancements	\$309,000		\$309,000			\$309,000
<b>Budget Adjustments TOTAL</b>	<b>\$279,000</b>	<b>\$(279,000)</b>				
<b>Council District 7 Construction and Conveyance Tax Fund (385) TOTAL</b>	<b>\$312,000</b>	<b>\$165,880</b>	<b>\$477,880</b>		<b>\$477,880</b>	
<b>Council District 8 Construction and Conveyance Tax Fund (386)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(328,000)	\$(328,000)			\$(328,000)
Fund Balance Reconciliation					\$717,676	\$(717,676)
Fund Balance Reconciliation		\$717,676	\$717,676			\$717,676
Rebudget: Brigadoon Park Improvements	\$14,000		\$14,000			\$14,000
Rebudget: Fowler Creek Park Improvements	\$236,000		\$236,000			\$236,000
Rebudget: Welch Park and Neighborhood Center Improvements	\$78,000		\$78,000			\$78,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$328,000</b>	<b>\$389,676</b>	<b>\$717,676</b>		<b>\$717,676</b>	
Ending Fund Balance Adjustment		\$(106,000)	\$(106,000)			\$(106,000)
TRAIL: Thompson Creek (Quimby Rd - Aborn Ct) Reserve	\$106,000		\$106,000			\$106,000
<b>Budget Adjustments TOTAL</b>	<b>\$106,000</b>	<b>\$(106,000)</b>				
<b>Council District 8 Construction and Conveyance Tax Fund (386) TOTAL</b>	<b>\$434,000</b>	<b>\$283,676</b>	<b>\$717,676</b>		<b>\$717,676</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Council District 9 Construction and Conveyance Tax Fund (388)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$31,000	\$31,000			\$31,000
Fund Balance Reconciliation					\$239,074	\$(239,074)
Fund Balance Reconciliation		\$239,074	\$239,074			\$239,074
Rebudget: Branham Park Improvements	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Butcher Park Playlot Renovation	\$27,000		\$27,000			\$27,000
Rebudget: Camden Community Center Landscaping Improvements	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Camden Park Improvements	\$(16,000)		\$(16,000)			\$(16,000)
Rebudget: Council District 9 Public Art	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Terrell Park Minor Improvements	\$(36,000)		\$(36,000)			\$(36,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$(31,000)</b>	<b>\$270,074</b>	<b>\$239,074</b>		<b>\$239,074</b>	
<b>Council District 9 Construction and Conveyance Tax Fund (388) TOTAL</b>	<b>\$(31,000)</b>	<b>\$270,074</b>	<b>\$239,074</b>		<b>\$239,074</b>	
<b>Emma Prusch Fund (131)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(11,000)	\$(11,000)			\$(11,000)
Fund Balance Reconciliation					\$13,435	\$(13,435)
Fund Balance Reconciliation		\$13,435	\$13,435			\$13,435
Rebudget: Emma Prusch Park Restroom Feasibility Study	\$11,000		\$11,000			\$11,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$11,000</b>	<b>\$2,435</b>	<b>\$13,435</b>		<b>\$13,435</b>	
<b>Emma Prusch Fund (131) TOTAL</b>	<b>\$11,000</b>	<b>\$2,435</b>	<b>\$13,435</b>		<b>\$13,435</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Fire Construction and Conveyance Tax Fund (392)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(748,000)	\$(748,000)			\$(748,000)
Fund Balance Reconciliation					\$1,541,754	\$(1,541,754)
Fund Balance Reconciliation		\$1,541,754	\$1,541,754			\$1,541,754
Rebudget: Computer Replacement Program	\$53,000		\$53,000			\$53,000
Rebudget: Emergency Response Data Analysis	\$79,000		\$79,000			\$79,000
Rebudget: Facilities Improvements	\$9,000		\$9,000			\$9,000
Rebudget: Fire Apparatus Replacement	\$11,000		\$11,000			\$11,000
Rebudget: Fire Station 29 Generator	\$459,000		\$459,000			\$459,000
Rebudget: Fire Station Alert System	\$9,000		\$9,000			\$9,000
Rebudget: Handheld Radios	\$9,000		\$9,000			\$9,000
Rebudget: Personal Protective Equipment Program	\$22,000		\$22,000			\$22,000
Rebudget: Self-Contained Breathing Apparatus (SCBA) Equipment	\$13,000		\$13,000			\$13,000
Rebudget: Tools and Equipment	\$81,000		\$81,000			\$81,000
Rebudget: Water Rescue	\$3,000		\$3,000			\$3,000
Tech Adjust: Transfer to the General Fund – Interest Income	\$23,000		\$23,000			\$23,000
Tech Adjust: Revenue from Use of Money/Property - Interest Income				\$23,000		\$(23,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$771,000</b>	<b>\$793,754</b>	<b>\$1,564,754</b>	<b>\$23,000</b>	<b>\$1,541,754</b>	
<b>Fire Construction and Conveyance Tax Fund (392) TOTAL</b>	<b>\$771,000</b>	<b>\$793,754</b>	<b>\$1,564,754</b>	<b>\$23,000</b>	<b>\$1,541,754</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>General Purpose Parking Capital Fund (559)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(8,132,000)	\$(8,132,000)			\$(8,132,000)
Fund Balance Reconciliation					\$8,902,599	\$(8,902,599)
Fund Balance Reconciliation		\$8,902,599	\$8,902,599			\$8,902,599
Rebudget: Downtown Event Parking Dynamic Message Sign Repair and Upgrades	\$176,000		\$176,000			\$176,000
Rebudget: Greater Downtown Area Multi-Modal/Streetscape Improvements	\$461,000		\$461,000			\$461,000
Rebudget: Greater Downtown Parking Garage	\$3,221,000		\$3,221,000			\$3,221,000
Rebudget: Green Technologies and Innovation	\$59,000		\$59,000			\$59,000
Rebudget: Minor Parking Facility Improvements	\$322,000		\$322,000			\$322,000
Rebudget: Public Art	\$1,000		\$1,000			\$1,000
Rebudget: Revenue Control & Meter Upgrades	\$3,727,000		\$3,727,000			\$3,727,000
Rebudget: Security Improvements	\$165,000		\$165,000			\$165,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$8,132,000</b>	<b>\$770,599</b>	<b>\$8,902,599</b>		<b>\$8,902,599</b>	
Parking Capital Development Reserve	\$(875,000)		\$(875,000)			\$(875,000)
Revenue Control and Meter Upgrades	\$875,000		\$875,000			\$875,000
<b>Budget Adjustments TOTAL</b>						
<b>General Purpose Parking Capital Fund (559) TOTAL</b>	<b>\$8,132,000</b>	<b>\$770,599</b>	<b>\$8,902,599</b>		<b>\$8,902,599</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Improvement District Fund (599)</b>						
Fund Balance Reconciliation					\$24,884	\$(24,884)
Fund Balance Reconciliation		\$24,884	\$24,884			\$24,884
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$24,884</b>	<b>\$24,884</b>		<b>\$24,884</b>	
<b>Improvement District Fund (599) TOTAL</b>		<b>\$24,884</b>	<b>\$24,884</b>		<b>\$24,884</b>	
<b>Lake Cunningham Fund (462)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(23,000)	\$(23,000)			\$(23,000)
Fund Balance Reconciliation					\$13,714	\$(13,714)
Fund Balance Reconciliation		\$13,714	\$13,714			\$13,714
Rebudget: Lake Cunningham Bike Park FF&E	\$4,000		\$4,000			\$4,000
Rebudget: Lake Cunningham Shoreline Study	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: Raging Waters Engineering and Inspection	\$20,000		\$20,000			\$20,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$23,000</b>	<b>\$(9,286)</b>	<b>\$13,714</b>		<b>\$13,714</b>	
<b>Lake Cunningham Fund (462) TOTAL</b>	<b>\$23,000</b>	<b>\$(9,286)</b>	<b>\$13,714</b>		<b>\$13,714</b>	
<b>Library Construction and Conveyance Tax Fund (393)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(348,000)	\$(348,000)			\$(348,000)
Fund Balance Reconciliation					\$1,288,966	\$(1,288,966)
Fund Balance Reconciliation		\$1,288,966	\$1,288,966			\$1,288,966

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Library Construction and Conveyance Tax Fund (393)</b>						
Rebudget: Automation Projects and System Maintenance	\$(28,000)		\$(28,000)			\$(28,000)
Rebudget: Branch Efficiency Projects	\$94,000		\$94,000			\$94,000
Rebudget: General Equipment and Furnishings	\$256,000		\$256,000			\$256,000
Rebudget: Materials Handling Technology	\$14,000		\$14,000			\$14,000
Rebudget: Mobile Maker[Space]ship Vehicle	\$12,000		\$12,000			\$12,000
Tech Adjust: Revenue from the Use of Money/Property - Interest Income				\$5,000		\$(5,000)
Tech Adjustment: Transfer to the General Fund - Interest Income	\$5,000		\$5,000			\$5,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$353,000</b>	<b>\$940,966</b>	<b>\$1,293,966</b>	<b>\$5,000</b>	<b>\$1,288,966</b>	
<b>Library Construction and Conveyance Tax Fund (393) TOTAL</b>	<b>\$353,000</b>	<b>\$940,966</b>	<b>\$1,293,966</b>	<b>\$5,000</b>	<b>\$1,288,966</b>	
<b>Library Parcel Tax Capital Fund (483)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(125,000)	\$(125,000)			\$(125,000)
Fund Balance Reconciliation					\$137,407	\$(137,407)
Fund Balance Reconciliation		\$137,407	\$137,407			\$137,407
Rebudget: Acquisition of Materials	\$28,000		\$28,000			\$28,000
Rebudget: Automation Projects	\$97,000		\$97,000			\$97,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$125,000</b>	<b>\$12,407</b>	<b>\$137,407</b>		<b>\$137,407</b>	
<b>Library Parcel Tax Capital Fund (483) TOTAL</b>	<b>\$125,000</b>	<b>\$12,407</b>	<b>\$137,407</b>		<b>\$137,407</b>	



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	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	
<b>Major Collectors and Arterials Fund (421)</b>					
Fund Balance Reconciliation					\$43,676
Fund Balance Reconciliation		\$(43,676)	\$(43,676)		\$(43,676)
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$(43,676)</b>	<b>\$(43,676)</b>		<b>\$(43,676)</b>
<b>Major Collectors and Arterials Fund (421) TOTAL</b>		<b>\$(43,676)</b>	<b>\$(43,676)</b>		<b>\$(43,676)</b>
<b>Major Facilities Fund (502)</b>					
Ending Fund Balance Adjustment: Rebudgets		\$(124,000)	\$(124,000)		\$(124,000)
Fund Balance Reconciliation				\$475,955	\$(475,955)
Fund Balance Reconciliation		\$475,955	\$475,955		\$475,955
Rebudget: North San José Water Well Evaluation and Rehabilitation	\$124,000		\$124,000		\$124,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$124,000</b>	<b>\$351,955</b>	<b>\$475,955</b>		<b>\$475,955</b>
<b>Major Facilities Fund (502) TOTAL</b>	<b>\$124,000</b>	<b>\$351,955</b>	<b>\$475,955</b>		<b>\$475,955</b>
<b>Neighborhood Security Bond Fund (475)</b>					
Fund Balance Reconciliation				\$164,006	\$(164,006)
Fund Balance Reconciliation		\$164,006	\$164,006		\$164,006
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$164,006</b>	<b>\$164,006</b>		<b>\$164,006</b>
<b>Neighborhood Security Bond Fund (475) TOTAL</b>		<b>\$164,006</b>	<b>\$164,006</b>		<b>\$164,006</b>

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Park Yards Construction and Conveyance Tax Fund (398)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(50,000)	\$(50,000)			\$(50,000)
Fund Balance Reconciliation					\$205,599	\$(205,599)
Fund Balance Reconciliation		\$205,599	\$205,599			\$205,599
Rebudget: Guadalupe River Park and Gardens Park Yard Expansion	\$50,000		\$50,000			\$50,000
Tech Adjust: Revenue from the Use of Money/Property - Interest Income				\$2,000		\$(2,000)
Tech Adjust: Transfer to the General Fund - Interest Income	\$2,000		\$2,000			\$2,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$52,000</b>	<b>\$155,599</b>	<b>\$207,599</b>	<b>\$2,000</b>	<b>\$205,599</b>	
<b>Park Yards Construction and Conveyance Tax Fund (398) TOTAL</b>						
	<b>\$52,000</b>	<b>\$155,599</b>	<b>\$207,599</b>	<b>\$2,000</b>	<b>\$205,599</b>	
<b>Parks and Recreation Bond Projects Fund (471)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(2,091,000)	\$(2,091,000)			\$(2,091,000)
Fund Balance Reconciliation					\$2,381,357	\$(2,381,357)
Fund Balance Reconciliation		\$2,381,357	\$2,381,357			\$2,381,357
Fund Balance Reconciliation - Parks and Recreation Bond Projects Contingency Reserve		\$(290,357)	\$(290,357)			\$(290,357)
Fund Balance Reconciliation - Parks and Recreation Bond Projects Contingency Reserve	\$290,357		\$290,357			\$290,357

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Parks and Recreation Bond Projects Fund (471)</b>						
Rebudget: Coleman Soccer Fields	\$205,000		\$205,000			\$205,000
Rebudget: Soccer Facility	\$1,886,000		\$1,886,000			\$1,886,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$2,381,357</b>		<b>\$2,381,357</b>		<b>\$2,381,357</b>	
Parks and Recreation Bond Projects Contingency Reserve	\$(340,000)		\$(340,000)			\$(340,000)
Soccer Facility Reserve	\$340,000		\$340,000			\$340,000
<b>Budget Adjustments TOTAL</b>						
<b>Parks and Recreation Bond Projects Fund (471) TOTAL</b>	<b>\$2,381,357</b>		<b>\$2,381,357</b>		<b>\$2,381,357</b>	
<b>Parks Central Construction and Conveyance Tax Fund (390)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$118,000	\$118,000			\$118,000
Fund Balance Reconciliation					\$308,465	\$(308,465)
Fund Balance Reconciliation		\$308,465	\$308,465			\$308,465
Rebudget: 2017 Flood - Commercial Paper Debt Service and Letter of Credit Fees	\$40,000		\$40,000			\$40,000
Rebudget: Financing Strategy Feasibility Study	\$11,000		\$11,000			\$11,000
Tech Adjust: Revenue from Use of Money/Property - Interest Income				\$169,000		\$(169,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$51,000</b>	<b>\$426,465</b>	<b>\$477,465</b>	<b>\$169,000</b>	<b>\$308,465</b>	
<b>Parks Central Construction and Conveyance Tax Fund (390) TOTAL</b>	<b>\$51,000</b>	<b>\$426,465</b>	<b>\$477,465</b>	<b>\$169,000</b>	<b>\$308,465</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$2,111,000	\$2,111,000			\$2,111,000
Fund Balance Reconciliation					\$(801,457)	\$801,457
Fund Balance Reconciliation		\$(801,457)	\$(801,457)			\$(801,457)
Rebudget: 2017 Flood - Alum Rock Park Mineral Springs Bridge Embankment	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: 2017 Flood - Alum Rock Park Mineral Springs Restrooms	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: 2017 Flood - Alum Rock Park Service Road Repairs and Reconstruction	\$13,000		\$13,000			\$13,000
Rebudget: 2017 Flood - Alum Rock Park Trestle Repair	\$11,000		\$11,000			\$11,000
Rebudget: 2017 Flood - Alum Rock Park Visitors Center	\$(8,000)		\$(8,000)			\$(8,000)
Rebudget: 2017 Flood - Century Oaks Parks Curie Drive	\$(27,000)		\$(27,000)			\$(27,000)
Rebudget: 2017 Flood - Family Camp Playground Shade Structure & Retaining Wall	\$(8,000)		\$(8,000)			\$(8,000)
Rebudget: 2017 Flood - Happy Hollow Park and Zoo Lower Restrooms	\$86,000		\$86,000			\$86,000
Rebudget: 2017 Flood - Happy Hollow Park and Zoo Night House & Breakroom	\$2,000		\$2,000			\$2,000
Rebudget: 2017 Flood - Japanese Friendship Garden Koi Pond & Pump House	\$64,000		\$64,000			\$64,000
Rebudget: 2017 Flood - Japanese Friendship Garden Public Restroom	\$(55,000)		\$(55,000)			\$(55,000)
Rebudget: 2017 Flood - Japanese Friendship Garden Tea House	\$85,000		\$85,000			\$85,000
Rebudget: 2017 Flood - Kelley Park Outfall	\$(1,000)		\$(1,000)			\$(1,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>						
Rebudget: 2017 Flood - Martin Park Booster Pump and Resilient Surfacing	\$(30,000)		\$(30,000)			\$(30,000)
Rebudget: 2017 Flood - Selma Olinder Theatre, Community Center and Park	\$(171,000)		\$(171,000)			\$(171,000)
Rebudget: 2017 Flood - Watson Park Turf, Lighting, and Electrical Mitigation	\$(2,303,000)		\$(2,303,000)			\$(2,303,000)
Rebudget: Alum Rock Park Youth Science Institute Building	\$20,000		\$20,000			\$20,000
Rebudget: Columbus Park Sports Field Lighting Upgrades	\$16,000		\$16,000			\$16,000
Rebudget: Happy Hollow Park and Zoo Lower Zoo Master Plan and Design	\$(5,000)		\$(5,000)			\$(5,000)
Rebudget: Happy Hollow Park and Zoo Security Improvements	\$324,000		\$324,000			\$324,000
Rebudget: Happy Hollow Park and Zoo Ticketing and Management System	\$54,000		\$54,000			\$54,000
Rebudget: Kelley Park Master Plan	\$9,000		\$9,000			\$9,000
Rebudget: Overfelt Gardens Improvements	\$(206,000)		\$(206,000)			\$(206,000)
Rebudget: Police Athletic League (PAL) Stadium Improvements	\$(8,000)		\$(8,000)			\$(8,000)
Rebudget: Soccer Facility Feasibility Study	\$30,000		\$30,000			\$30,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$(2,111,000)</b>	<b>\$1,309,543</b>	<b>\$(801,457)</b>		<b>\$(801,457)</b>	
2017 Flood - Alum Rock Park Mineral Springs Bridge Embankment	\$209,000		\$209,000			\$209,000
2017 Flood - Alum Rock Park Mineral Springs Restrooms	\$5,000		\$5,000			\$5,000
2017 Flood - Alum Rock Park Service Road Repairs and Reconstruction	\$(476,000)		\$(476,000)			\$(476,000)
2017 Flood - Alum Rock Park Trestle Repair	\$(319,000)		\$(319,000)			\$(319,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Parks City-Wide Construction and Conveyance Tax Fund (391)</b>						
2017 Flood - Alum Rock Park Visitors Center	\$47,000		\$47,000			\$47,000
2017 Flood - Family Camp Playground Shade Structure, Retaining Wall and Slope Stabilization	\$200,000		\$200,000			\$200,000
2017 Flood - Japanese Friendship Garden Koi Pond and Koi Pump House	\$230,000		\$230,000			\$230,000
2017 Flood - Japanese Friendship Garden Tea House	\$(242,000)		\$(242,000)			\$(242,000)
2017 Flood - Kelley Park Outfall	\$346,000		\$346,000			\$346,000
Alum Rock Park Bridge Repair	\$(322,000)		\$(322,000)			\$(322,000)
Arcadia Softball Facility Fixtures, Furnishings and Equipment	\$260,000		\$260,000			\$260,000
Ending Fund Balance Adjustment		\$(293,000)	\$(293,000)			\$(293,000)
Family Camp Capital Improvements Reserve	\$82,000		\$82,000			\$82,000
Happy Hollow Park and Zoo Lower Zoo Master Plan and Design	\$14,000		\$14,000			\$14,000
Happy Hollow Park and Zoo Security Improvements	\$259,000		\$259,000			\$259,000
<b>Budget Adjustments TOTAL</b>	<b>\$293,000</b>	<b>\$(293,000)</b>				
<b>Parks City-Wide Construction and Conveyance Tax Fund (391) TOTAL</b>	<b>\$(1,818,000)</b>	<b>\$1,016,543</b>	<b>\$(801,457)</b>		<b>\$(801,457)</b>	

**Residential Construction Tax Contribution Fund (420)**

Fund Balance Reconciliation					\$134,517	\$(134,517)
Fund Balance Reconciliation		\$134,517	\$134,517			\$134,517
Tech Adjust: Revenue from Use of Money/Property (Interest Income)				\$5,000		\$(5,000)

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Residential Construction Tax Contribution Fund (420)</b>						
Tech Adjust: Transfer to the General Fund - Interest Income	\$5,000		\$5,000			\$5,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$5,000</b>	<b>\$134,517</b>	<b>\$139,517</b>	<b>\$5,000</b>	<b>\$134,517</b>	
<b>Residential Construction Tax Contribution Fund (420) TOTAL</b>	<b>\$5,000</b>	<b>\$134,517</b>	<b>\$139,517</b>	<b>\$5,000</b>	<b>\$134,517</b>	
<b>San José-Santa Clara Treatment Plant Capital Fund (512)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$64,129,000	\$64,129,000			\$64,129,000
Fund Balance Reconciliation					\$(61,366,664)	\$61,366,664
Fund Balance Reconciliation		\$(61,366,664)	\$(61,366,664)			\$(61,366,664)
Rebudget: Advanced Facility Control and Meter Replacement	\$297,000		\$297,000			\$297,000
Rebudget: Aeration Tanks and Blower Rehabilitation	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Construction-Enabling Improvements	\$(13,000)		\$(13,000)			\$(13,000)
Rebudget: Debt Service Repayment for Plant Capital Improvement Projects	\$2,518,000		\$2,518,000			\$2,518,000
Rebudget: Digested Sludge Dewatering Facility	\$175,000		\$175,000			\$175,000
Rebudget: Digester and Thickener Facilities Upgrade	\$308,000		\$308,000			\$308,000
Rebudget: Energy Generation Improvements	\$153,000		\$153,000			\$153,000
Rebudget: Facility Wide Water Systems Improvements	\$18,000		\$18,000			\$18,000
Rebudget: Filter Rehabilitation	\$(5,000)		\$(5,000)			\$(5,000)
Rebudget: Financing Proceeds (Wastewater Revenue Notes)				\$71,510,000		\$(71,510,000)
Rebudget: Flood Protection	\$4,000		\$4,000			\$4,000

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>San José-Santa Clara Treatment Plant Capital Fund (512)</b>						
Rebudget: Headworks Improvements	\$181,000		\$181,000			\$181,000
Rebudget: Iron Salt Feed Station	\$6,000		\$6,000			\$6,000
Rebudget: New Headworks	\$1,253,000		\$1,253,000			\$1,253,000
Rebudget: Nitrification Clarifier Rehabilitation	\$17,000		\$17,000			\$17,000
Rebudget: Outfall Bridge and Levee Improvements	\$7,000		\$7,000			\$7,000
Rebudget: Plant Electrical Reliability	\$24,000		\$24,000			\$24,000
Rebudget: Plant Instrument Air System Upgrade	\$(18,000)		\$(18,000)			\$(18,000)
Rebudget: Preliminary Engineering - Water Pollution Control	\$850,000		\$850,000			\$850,000
Rebudget: Public Art Allocation	\$(1,000)		\$(1,000)			\$(1,000)
Rebudget: SBWR Extension	\$3,691,000		\$3,691,000			\$3,691,000
Rebudget: Storm Drain System Improvements	\$(79,000)		\$(79,000)			\$(79,000)
Rebudget: Support Building Improvements	\$54,000		\$54,000			\$54,000
Rebudget: Tunnel Rehabilitation	\$1,000		\$1,000			\$1,000
Rebudget: Yard Piping and Road Improvements	\$(2,058,000)		\$(2,058,000)			\$(2,058,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$7,381,000</b>	<b>\$2,762,336</b>	<b>\$10,143,336</b>	<b>\$71,510,000</b>	<b>\$(61,366,664)</b>	
SBWR Extension	\$(3,691,000)		\$(3,691,000)			\$(3,691,000)
Transfer to the South Bay Water Recycling Capital Fund	\$3,691,000		\$3,691,000			\$3,691,000
<b>Budget Adjustments TOTAL</b>						
<b>San José-Santa Clara Treatment Plant Capital Fund (512) TOTAL</b>	<b>\$7,381,000</b>	<b>\$2,762,336</b>	<b>\$10,143,336</b>	<b>\$71,510,000</b>	<b>\$(61,366,664)</b>	



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	USE		SOURCE		NET COST	
	Expense	Ending Fund Balance	Total Use	Revenue		Beg Fund Balance
<b>Sanitary Sewer Connection Fee Fund (540)</b>						
Fund Balance Reconciliation					\$847,183	\$(847,183)
Fund Balance Reconciliation		\$847,183	\$847,183			\$847,183
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$847,183</b>	<b>\$847,183</b>		<b>\$847,183</b>	
Ending Fund Balance Adjustment		\$18,000	\$18,000			\$18,000
Transfers and Reimbursements (Transfer from City Hall Debt Service Fund)				\$18,000		\$(18,000)
<b>Budget Adjustments TOTAL</b>		<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>		
<b>Sanitary Sewer Connection Fee Fund (540) TOTAL</b>		<b>\$865,183</b>	<b>\$865,183</b>	<b>\$18,000</b>	<b>\$847,183</b>	
<b>Service Yards Construction and Conveyance Tax Fund (395)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$80,000	\$80,000			\$80,000
Fund Balance Reconciliation					\$615,152	\$(615,152)
Fund Balance Reconciliation		\$615,152	\$615,152			\$615,152
Rebudget: Mabury Yard Improvements	\$(60,000)		\$(60,000)			\$(60,000)
Rebudget: South & West Yards - Water Heaters Replacement	\$(20,000)		\$(20,000)			\$(20,000)
Tech Adjust: Revenue from Use of Money/Property (Interest Income)				\$15,000		\$(15,000)
Tech Adjust: Transfer to the General Fund - Interest Income	\$15,000		\$15,000			\$15,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$(65,000)</b>	<b>\$695,152</b>	<b>\$630,152</b>	<b>\$15,000</b>	<b>\$615,152</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Service Yards Construction and Conveyance Tax Fund (395)</b>						
Ending Fund Balance Adjustment		\$(5,000)	\$(5,000)			\$(5,000)
VTA Property Lease	\$5,000		\$5,000			\$5,000
<b>Budget Adjustments TOTAL</b>	<b>\$5,000</b>	<b>\$(5,000)</b>				
<b>Service Yards Construction and Conveyance Tax Fund (395) TOTAL</b>	<b>\$(60,000)</b>	<b>\$690,152</b>	<b>\$630,152</b>	<b>\$15,000</b>	<b>\$615,152</b>	
<b>Sewer Service and Use Charge Capital Improvement Fund (545)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(351,000)	\$(351,000)			\$(351,000)
Fund Balance Reconciliation					\$9,244,353	\$(9,244,353)
Fund Balance Reconciliation		\$9,244,353	\$9,244,353			\$9,244,353
Rebudget: 60 inch Brick Interceptor, Phase VIA and VIB	\$410,000		\$410,000			\$410,000
Rebudget: Bollinger Road - Moorpark Avenue - Williams Road Sanitary Sewer Improvements	\$(11,000)		\$(11,000)			\$(11,000)
Rebudget: Public Art Allocation	\$81,000		\$81,000			\$81,000
Rebudget: Rehabilitation of Sanitary Sewer Pump Stations	\$(129,000)		\$(129,000)			\$(129,000)
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$351,000</b>	<b>\$8,893,353</b>	<b>\$9,244,353</b>		<b>\$9,244,353</b>	
Ending Fund Balance Adjustment		\$309,000	\$309,000			\$309,000
Transfers and Reimbursements (Transfer from City Hall Debt Service Fund)				\$309,000		\$(309,000)
<b>Budget Adjustments TOTAL</b>		<b>\$309,000</b>	<b>\$309,000</b>	<b>\$309,000</b>		
<b>Sewer Service and Use Charge Capital Improvement Fund (545) TOTAL</b>	<b>\$351,000</b>	<b>\$9,202,353</b>	<b>\$9,553,353</b>	<b>\$309,000</b>	<b>\$9,244,353</b>	

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	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>South Bay Water Recycling Capital Fund (571)</b>						
Hydraulic Capacity Engineering	\$25,000		\$25,000			\$25,000
Hydraulic Capacity Enhancements Reserve	\$3,666,000		\$3,666,000			\$3,666,000
Transfers and Reimbursements (Transfer from San José-Santa Clara Treatment Plant Capital Fund)				\$3,691,000		\$(3,691,000)
<b>Budget Adjustments TOTAL</b>	<b>\$3,691,000</b>		<b>\$3,691,000</b>	<b>\$3,691,000</b>		
<b>South Bay Water Recycling Capital Fund (571) TOTAL</b>						
	<b>\$3,691,000</b>		<b>\$3,691,000</b>	<b>\$3,691,000</b>		
<b>Storm Drainage Fee Fund (413)</b>						
Fund Balance Reconciliation					\$69,889	\$(69,889)
Fund Balance Reconciliation		\$69,889	\$69,889			\$69,889
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$69,889</b>	<b>\$69,889</b>		<b>\$69,889</b>	
<b>Storm Drainage Fee Fund (413) TOTAL</b>						
		<b>\$69,889</b>	<b>\$69,889</b>		<b>\$69,889</b>	
<b>Storm Sewer Capital Fund (469)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(1,196,000)	\$(1,196,000)			\$(1,196,000)
Fund Balance Reconciliation					\$3,648,690	\$(3,648,690)
Fund Balance Reconciliation		\$3,648,690	\$3,648,690			\$3,648,690
Rebudget: 2017 Flood - Bailey Ave Storm Drain Inlet Repair	\$23,000		\$23,000			\$23,000

Capital Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report  
Department/Proposal

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Storm Sewer Capital Fund (469)</b>						
Rebudget: Alviso Storm Pump Station	\$(37,000)		\$(37,000)			\$(37,000)
Rebudget: Chynoweth Avenue Green Street	\$(12,000)		\$(12,000)			\$(12,000)
Rebudget: Green Infrastructure Improvements	\$(101,000)		\$(101,000)			\$(101,000)
Rebudget: Large Trash Capture Devices	\$238,000		\$238,000			\$238,000
Rebudget: Outfall Rehabilitation - Capital	\$870,000		\$870,000			\$870,000
Rebudget: Public Art Allocation	\$63,000		\$63,000			\$63,000
Rebudget: San Jose Watershed Invasive Species Removal and Engagement	\$152,000		\$152,000			\$152,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$1,196,000</b>	<b>\$2,452,690</b>	<b>\$3,648,690</b>		<b>\$3,648,690</b>	
<b>Storm Sewer Capital Fund (469) TOTAL</b>	<b>\$1,196,000</b>	<b>\$2,452,690</b>	<b>\$3,648,690</b>		<b>\$3,648,690</b>	
<b>Subdivision Park Trust Fund (375)</b>						
Ending Fund Balance: Rebudgets		\$(1,376,000)	\$(1,376,000)			\$(1,376,000)
Fund Balance Reconciliation					\$2,304,505	\$(2,304,505)
Fund Balance Reconciliation		\$2,304,505	\$2,304,505			\$2,304,505
Fund Balance Reconciliation - Future PDO/PIO Projects		\$(928,505)	\$(928,505)			\$(928,505)
Fund Balance Reconciliation - Future PDO/PIO Projects Reserve	\$928,505		\$928,505			\$928,505
Rebudget: Baypointe Interim Park	\$(7,000)		\$(7,000)			\$(7,000)
Rebudget: Branham Park Improvements	\$50,000		\$50,000			\$50,000

Capital Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report  
Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Subdivision Park Trust Fund (375)</b>						
Rebudget: Cahalan Park Improvements	\$(16,000)		\$(16,000)			\$(16,000)
Rebudget: Cannery Park Design Review and Inspection	\$(15,000)		\$(15,000)			\$(15,000)
Rebudget: Cesar Chavez Interim Improvements	\$454,000		\$454,000			\$454,000
Rebudget: Communications Hill Staircase Design Review and Inspection	\$(4,000)		\$(4,000)			\$(4,000)
Rebudget: Del Monte Park Expansion Phase II	\$38,000		\$38,000			\$38,000
Rebudget: Del Monte Park Improvements	\$21,000		\$21,000			\$21,000
Rebudget: Erikson Park Improvements	\$9,000		\$9,000			\$9,000
Rebudget: Groesbeck Park Improvements	\$(29,000)		\$(29,000)			\$(29,000)
Rebudget: Hamann Park Minor Improvements	\$(40,000)		\$(40,000)			\$(40,000)
Rebudget: Iris Chang Park Development	\$(62,000)		\$(62,000)			\$(62,000)
Rebudget: Martial-Cottle Community Garden	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Mayfair Community Center Park Improvements	\$15,000		\$15,000			\$15,000
Rebudget: Municipal Rose Garden Improvements	\$19,000		\$19,000			\$19,000
Rebudget: Park Avenue Schematic Design	\$1,000		\$1,000			\$1,000
Rebudget: Parks Rehabilitation Strike Team - Council District 1	\$29,000		\$29,000			\$29,000
Rebudget: Parks Rehabilitation Strike Team - Council District 10	\$35,000		\$35,000			\$35,000
Rebudget: Parks Rehabilitation Strike Team - Council District 2	\$44,000		\$44,000			\$44,000
Rebudget: Parks Rehabilitation Strike Team - Council District 3	\$16,000		\$16,000			\$16,000
Rebudget: Parks Rehabilitation Strike Team - Council District 4	\$44,000		\$44,000			\$44,000

Capital Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report  
Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Subdivision Park Trust Fund (375)</b>						
Rebudget: Parks Rehabilitation Strike Team - Council District 5	\$21,000		\$21,000			\$21,000
Rebudget: Parks Rehabilitation Strike Team - Council District 6	\$44,000		\$44,000			\$44,000
Rebudget: Parks Rehabilitation Strike Team - Council District 7	\$51,000		\$51,000			\$51,000
Rebudget: Parks Rehabilitation Strike Team - Council District 8	\$44,000		\$44,000			\$44,000
Rebudget: Parks Rehabilitation Strike Team - Council District 9	\$(47,000)		\$(47,000)			\$(47,000)
Rebudget: Parks Rehabilitation Strike Team - Parks Maintenance Equipment	\$6,000		\$6,000			\$6,000
Rebudget: PDO Valuation Updates	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: Pueblo de Dios Master Plan and Design	\$275,000		\$275,000			\$275,000
Rebudget: Rincon South Park Development	\$81,000		\$81,000			\$81,000
Rebudget: Roberto Antonio Balermينو Park Improvements	\$10,000		\$10,000			\$10,000
Rebudget: Rotary Playgarden Parking Lot Lift Station	\$23,000		\$23,000			\$23,000
Rebudget: St. James Park Capital Vision	\$2,000		\$2,000			\$2,000
Rebudget: St. James Park Interim Improvements	\$2,000		\$2,000			\$2,000
Rebudget: St. James Park Phase I Design	\$8,000		\$8,000			\$8,000
Rebudget: Tamien Park Development (Phase I)	\$7,000		\$7,000			\$7,000
Rebudget: Tamien Park Development (Phase II)	\$(9,000)		\$(9,000)			\$(9,000)
Rebudget: Townsend Park Minor Improvements	\$28,000		\$28,000			\$28,000
Rebudget: TRAIL: Coyote Creek (Brokaw Road to Union Pacific Railroad Corridor) Design	\$(2,000)		\$(2,000)			\$(2,000)
Rebudget: TRAIL: Coyote Creek (Story Road to Selma Olinder Park)	\$(1,000)		\$(1,000)			\$(1,000)

Capital Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report  
Department/Proposal

	USE		SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue Beg Fund Balance	
<b>Subdivision Park Trust Fund (375)</b>					
Rebudget: TRAIL: Coyote Creek Fish Passage Remediation and Pedestrian Bridge (Singleton)	\$2,000		\$2,000		\$2,000
Rebudget: TRAIL: Coyote Creek Trail (Story Road to Phelan Avenue)	\$(37,000)		\$(37,000)		\$(37,000)
Rebudget: TRAIL: Guadalupe River/Coleman Under-Crossing Riparian Habitat	\$5,000		\$5,000		\$5,000
Rebudget: TRAIL: Guadalupe River Park and Blossom River Drive Connection	\$14,000		\$14,000		\$14,000
Rebudget: TRAIL: Guadalupe River Under-crossing (Coleman Road) Design	\$159,000		\$159,000		\$159,000
Rebudget: TRAIL: Los Gatos Creek Reach 5 B/C Design	\$(6,000)		\$(6,000)		\$(6,000)
Rebudget: TRAIL: Milestone Markers	\$(6,000)		\$(6,000)		\$(6,000)
Rebudget: TRAIL: Three Creeks (Lonus Street to Guadalupe River)	\$(47,000)		\$(47,000)		\$(47,000)
Rebudget: TRAIL: Three Creeks Interim Improvements and Pedestrian Bridge	\$(5,000)		\$(5,000)		\$(5,000)
Rebudget: Watson Park Improvements	\$(1,000)		\$(1,000)		\$(1,000)
Rebudget: Willow Glen Community Center Improvements	\$105,000		\$105,000		\$105,000
Rebudget: Willow Glen Community Center Marquee	\$3,000		\$3,000		\$3,000
Rebudget: Willow Glen Community Center Plumbing Improvements	\$49,000		\$49,000		\$49,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$2,304,505</b>		<b>\$2,304,505</b>		<b>\$2,304,505</b>
Future PDO/PIO Projects Reserve	\$(619,000)		\$(619,000)		\$(619,000)
Preliminary Studies - Turnkey Parks	\$50,000		\$50,000		\$50,000
Pueblo De Dios Reserve	\$15,000		\$15,000		\$15,000
St. James Park Phase I Design	\$25,000		\$25,000		\$25,000

Capital Funds  
Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
2017-2018 Annual Report  
Department/Proposal

Department/Proposal	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Subdivision Park Trust Fund (375)</b>						
St. James Park Phase I Reserve	\$(25,000)		\$(25,000)			\$(25,000)
TRAIL: Thompson Creek (Quimby Rd-Aborn Ct) Reserve	\$554,000		\$554,000			\$554,000
Willow Glen Community Center Improvements	\$100,000		\$100,000			\$100,000
Willow Glen Community Center Plumbing Improvements	\$(100,000)		\$(100,000)			\$(100,000)
<b>Budget Adjustments TOTAL</b>						
<b>Subdivision Park Trust Fund (375) TOTAL</b>	<b>\$2,304,505</b>		<b>\$2,304,505</b>		<b>\$2,304,505</b>	
<b>Underground Utility Fund (416)</b>						
Fund Balance Reconciliation					\$3,920,127	\$(3,920,127)
Fund Balance Reconciliation		\$3,920,127	\$3,920,127			\$3,920,127
<b>Clean-Up and Rebudget Actions TOTAL</b>		<b>\$3,920,127</b>	<b>\$3,920,127</b>		<b>\$3,920,127</b>	
<b>Underground Utility Fund (416) TOTAL</b>		<b>\$3,920,127</b>	<b>\$3,920,127</b>		<b>\$3,920,127</b>	
<b>Water Utility Capital Fund (500)</b>						
Ending Fund Balance Adjustment: Rebudgets		\$(694,000)	\$(694,000)			\$(694,000)
Fund Balance Reconciliation					\$49,902	\$(49,902)
Fund Balance Reconciliation		\$49,902	\$49,902			\$49,902
Rebudget: Cadwallader Reservoir Rehabilitation	\$20,000		\$20,000			\$20,000
Rebudget: Edenvale Reservoir Rehabilitation	\$10,000		\$10,000			\$10,000
Rebudget: Facility Sites Improvement	\$20,000		\$20,000			\$20,000



Capital Funds  
 Recommended Budget Adjustments and Clean-Up/Rebudget Actions  
 2017-2018 Annual Report  
 Department/Proposal

	USE			SOURCE		NET COST
	Expense	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
<b>Water Utility Capital Fund (500)</b>						
Rebudget: Gumdrop Drive Main Replacement	\$(6,000)		\$(6,000)			\$(6,000)
Rebudget: Infrastructure Improvements	\$329,000		\$329,000			\$329,000
Rebudget: Meter Installations	\$68,000		\$68,000			\$68,000
Rebudget: Service Installations	\$84,000		\$84,000			\$84,000
Rebudget: System Maintenance/Repairs	\$169,000		\$169,000			\$169,000
<b>Clean-Up and Rebudget Actions TOTAL</b>	<b>\$694,000</b>	<b>\$(644,098)</b>	<b>\$49,902</b>		<b>\$49,902</b>	
<b>Water Utility Capital Fund (500) TOTAL</b>	<b>\$694,000</b>	<b>\$(644,098)</b>	<b>\$49,902</b>		<b>\$49,902</b>	

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**2017-2018**

**ANNUAL  
REPORT**

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**V. FINANCIAL  
STATEMENTS**





**FINANCE DEPARTMENT**  
Monthly Financial Report

Financial Results for the Month Ended June 30, 2018

Fiscal Year 2017-2018

*(UNAUDITED)*

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the Month Ended June 30, 2018**  
**Fiscal Year 2017-2018**  
*(UNAUDITED)*

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the Month Ended June 30, 2018**  
**Fiscal Year 2017-2018**  
*(UNAUDITED)*

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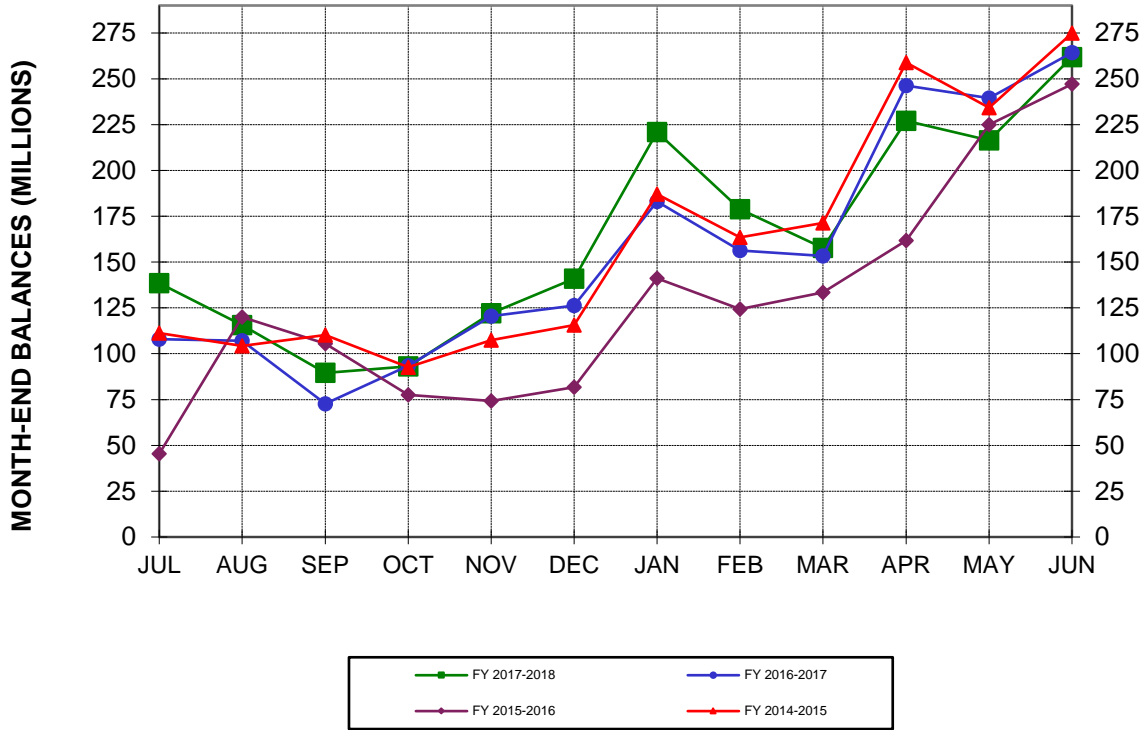
Submitted by:



JULIA H. COOPER  
Director, Finance Department



**GENERAL FUND**  
**Comparison of Cash Balances vs. Prior Year's Balance**



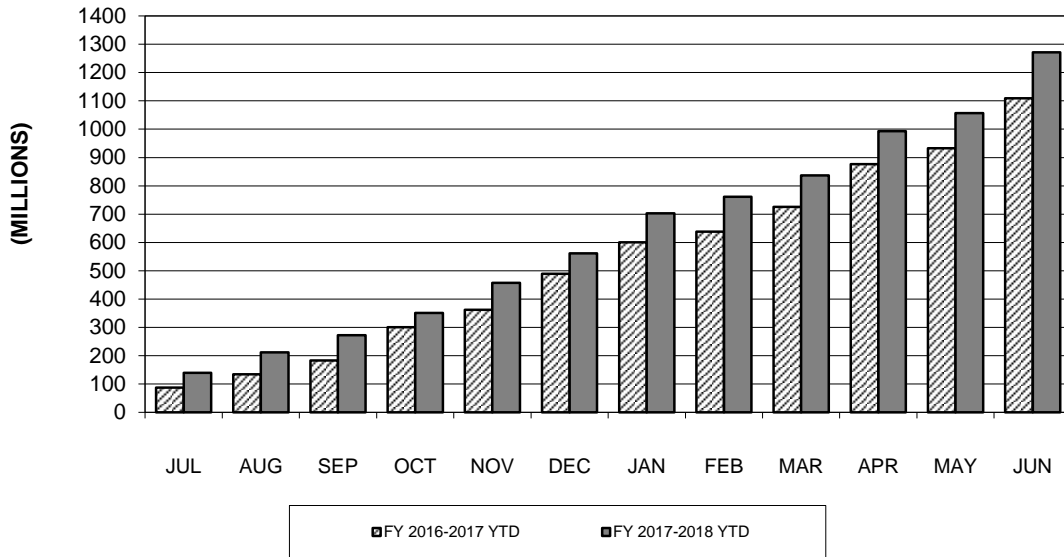
**GENERAL FUND MONTHLY CASH BALANCES**

MONTH	FY 2017-2018	FY 2016-2017	FY 2015-2016	FY 2014-2015
JULY (1)	\$ 138,576,379	\$ 108,012,647	\$ 45,401,908	\$ 111,318,585
AUGUST	115,540,880	107,081,005	119,988,835	104,337,113
SEPTEMBER	89,537,017	72,718,873	105,422,447	110,248,937
OCTOBER	93,031,593	93,456,157	77,571,562	92,649,862
NOVEMBER	122,022,698	120,485,944	74,153,007	107,339,933
DECEMBER	140,886,445	126,203,310	81,796,424	115,544,081
JANUARY	220,937,707	183,072,948	141,189,103	187,078,566
FEBRUARY	178,836,751	156,320,836	124,444,495	163,468,559
MARCH	157,759,493	153,282,389	133,493,608	171,379,481
APRIL (2)	227,063,040	246,281,183	161,690,247	258,939,637
MAY	216,439,757	239,467,743	224,983,657	234,171,050
JUNE	261,903,320	264,266,135	247,092,735	274,909,173

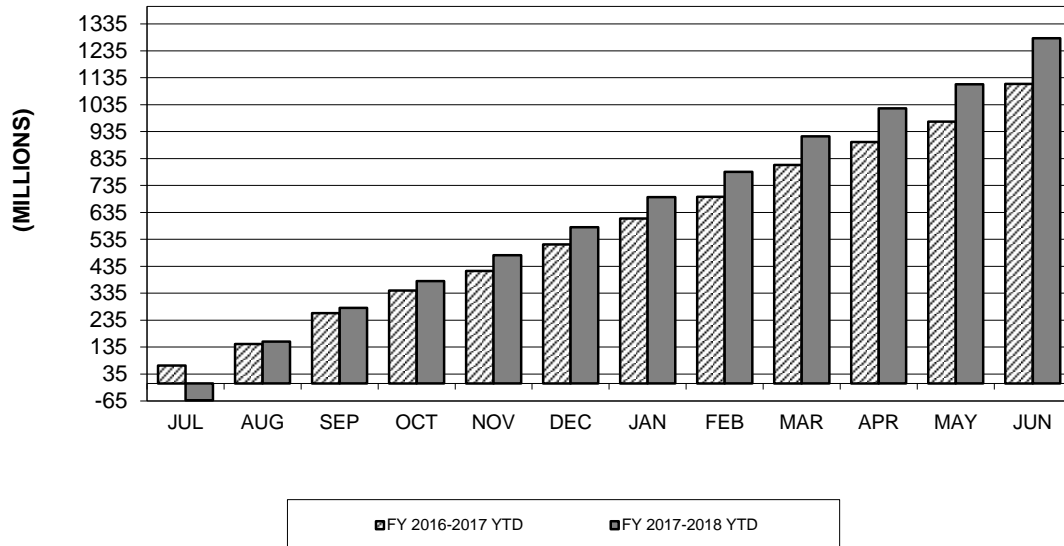
(1) The General Fund cash balance decreases each July mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.

(2) The General Fund cash balance increases in April or May of every year mainly due to the receipt of the second annual installment of property taxes from Santa Clara County.

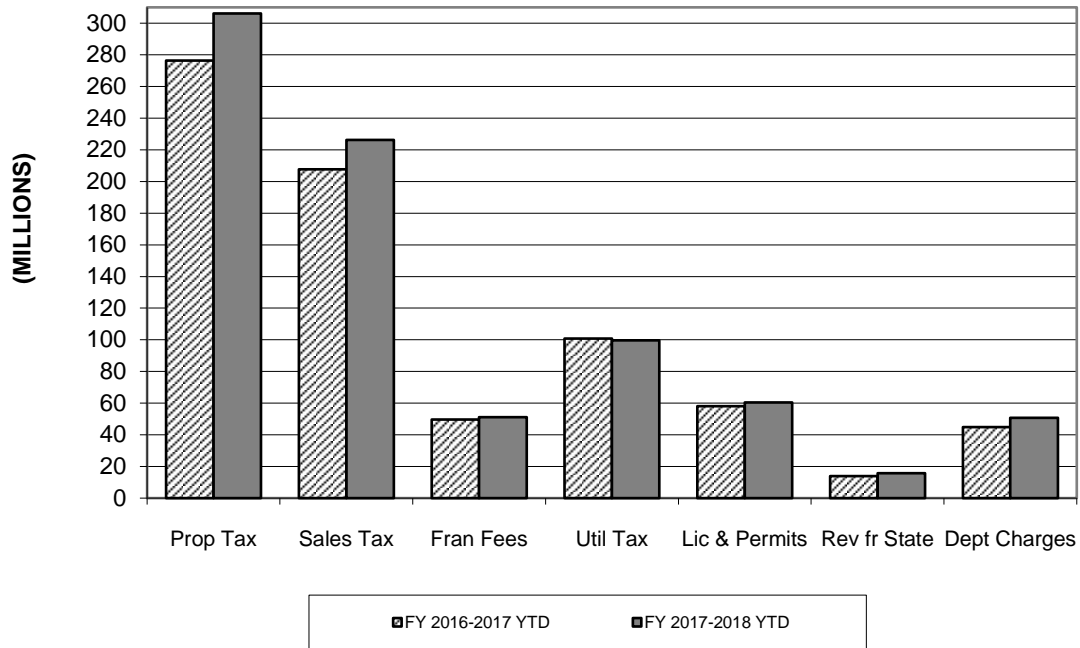
**GENERAL FUND**  
**Comparison of YTD Revenues vs. Prior YTD Revenues**  
**Actual**



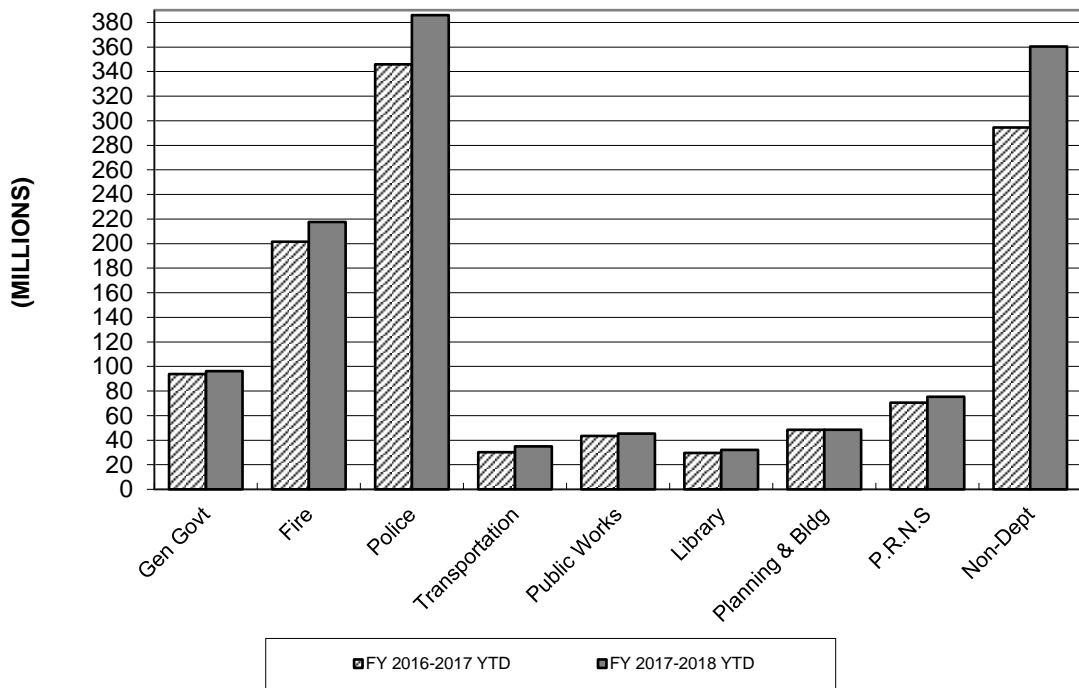
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**Comparison of YTD Expenditures vs. Prior YTD Expenditures**  
**Actual**



**GENERAL FUND MAJOR REVENUES**  
**Comparison of YTD Actual vs. Prior YTD Actual**



**GENERAL FUND MAJOR EXPENDITURES**  
**Comparison of YTD Actual vs. Prior YTD Actual**



**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS**  
**FOR THE MONTHS ENDED JUNE 30, 2018**  
*(UNAUDITED)*  
*( \$000's )*

	ADOPTED FY 2017-2018 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2017-2018 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
<b>Fund Balance</b>											
Prior Year Encumbrances	-	-	46,067	46,067	46,067	100.00%	37,497	100.00%	37,497	8,570	22.86%
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	-	-	-
Available Balance	217,204	23,969	-	241,173	241,173	100.00%	255,206	100.00%	255,206	(14,033)	-5.50%
<b>Total Fund Balance</b>	<b>217,204</b>	<b>23,969</b>	<b>46,067</b>	<b>287,240</b>	<b>287,240</b>	<b>100.00%</b>	<b>292,703</b>	<b>100.00%</b>	<b>292,703</b>	<b>(5,463)</b>	<b>-1.87%</b>
<b>General Revenues</b>											
Property Tax	288,990	16,000	-	304,990	306,222	100.40%	276,388	100.00%	276,388	29,834	10.79%
Sales Tax (1)	228,000	2,000	-	230,000	226,337	98.41%	207,695	100.00%	207,695	18,642	8.98%
Telephone Line Tax	20,000	-	-	20,000	20,481	102.41%	20,260	100.00%	20,260	221	1.09%
Transient Occupancy Tax	18,720	-	-	18,720	19,531	104.33%	18,275	100.00%	18,275	1,256	6.87%
Franchise Fees	50,813	-	-	50,813	51,180	100.72%	49,642	100.00%	49,642	1,538	3.10%
Utility Tax	101,320	-	-	101,320	99,753	98.45%	100,786	100.00%	100,786	(1,033)	-1.03%
Business Taxes	63,300	5,085	-	68,385	70,673	103.35%	54,159	100.00%	54,159	16,514	30.49%
Licenses and Permits	59,778	(508)	-	59,270	60,503	102.08%	58,075	100.00%	58,075	2,428	4.18%
Fines, Forfeits and Penalties	15,336	-	-	15,336	14,354	93.60%	16,345	100.00%	16,345	(1,991)	-12.18%
Use of Money and Property	5,640	65	-	5,705	7,930	139.00%	6,787	100.00%	6,787	1,143	16.84%
Revenue from Local Agencies	26,040	12,262	-	38,302	38,441	100.36%	27,717	100.00%	27,717	10,724	38.69%
Revenue from State of Cal.	12,962	3,486	-	16,448	15,721	95.58%	13,906	100.00%	13,906	1,815	13.05%
Revenue from Federal Government	2,792	3,016	-	5,808	5,591	96.26%	4,394	100.00%	4,394	1,197	27.23%
Fees, Rates and Charges	48,499	(307)	-	48,192	50,703	105.21%	44,864	100.00%	44,864	5,839	13.01%
Other Revenues	28,829	194,808	-	223,637	218,951	97.90%	118,408	100.00%	118,408	100,543	84.91%
<b>Total General Revenues</b>	<b>971,019</b>	<b>235,907</b>	<b>-</b>	<b>1,206,926</b>	<b>1,206,371</b>	<b>99.95%</b>	<b>1,017,701</b>	<b>100.00%</b>	<b>1,017,701</b>	<b>188,670</b>	<b>18.54%</b>
<b>Transfers &amp; Reimbursements</b>											
Overhead Reimbursements	46,593	(1,125)	-	45,468	47,245	103.91%	39,248	100.00%	39,248	7,997	20.38%
Transfers from Other Funds	23,866	1,546	-	25,412	26,306	103.52%	33,354	100.00%	33,354	(7,048)	-21.13%
Reimbursements for Services	17,970	-	-	17,970	17,329	96.43%	17,958	100.00%	17,958	(629)	-3.50%
<b>Total Transfers &amp; Reimburse</b>	<b>88,429</b>	<b>421</b>	<b>-</b>	<b>88,850</b>	<b>90,880</b>	<b>102.28%</b>	<b>90,560</b>	<b>100.00%</b>	<b>90,560</b>	<b>320</b>	<b>0.35%</b>
<b>Total Sources</b>	<b>1,276,652</b>	<b>260,297</b>	<b>46,067</b>	<b>1,583,016</b>	<b>1,584,491</b>	<b>100.09%</b>	<b>1,400,963</b>	<b>100.00%</b>	<b>1,400,963</b>	<b>183,528</b>	<b>13.10%</b>

(\*) - 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 transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**EXPENDITURES**  
**FOR THE MONTHS ENDED JUNE 30, 2018**  
*( UNAUDITED )*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE	
	FY 2017-2018	BUDGET		FY 2017-2018	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		PRIOR YEAR-END	PRIOR YTD	LESS PRIOR YTD
	BUDGET	AMENDMENTS		BUDGET	ACTUAL (*)	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	YEAR-END		ACTUAL (1)(*)	ACTUAL (1)	LESS PRIOR YTD
<b>General Government</b>													
Mayor and Council	14,017	588	170	14,775	11,072	19	74.94%	11,137	100.00%	11,137	(65)	-0.58%	
City Attorney	14,795	1,059	754	16,608	15,558	857	93.68%	14,507	100.00%	14,507	1,051	7.24%	
City Auditor	2,454	(21)	-	2,433	2,309	-	94.90%	2,197	100.00%	2,197	112	5.10%	
City Clerk	2,878	(14)	4	2,868	2,668	27	93.03%	2,298	100.00%	2,298	370	16.10%	
City Manager	15,617	2,599	1,239	19,455	16,399	1,410	84.29%	14,679	100.00%	14,679	1,720	11.72%	
Finance	16,052	220	506	16,778	15,678	376	93.44%	15,395	100.00%	15,395	283	1.84%	
Information Technology	21,138	163	1,374	22,675	17,393	1,538	76.71%	18,518	100.00%	18,518	(1,125)	-6.08%	
Human Resources	8,877	18	127	9,022	8,747	257	96.95%	7,989	100.00%	7,989	758	9.49%	
Independent Police Auditor	1,346	(3)	2	1,345	1,259	2	93.61%	1,206	100.00%	1,206	53	4.39%	
Office of Economic Development	5,711	47	576	6,334	5,105	758	80.60%	5,907	100.00%	5,907	(802)	-13.58%	
Total General Government	102,885	4,656	4,752	112,293	96,188	5,244	85.66%	93,833	100.00%	93,833	2,355	2.51%	
<b>Public Safety</b>													
Fire	219,215	158	724	220,097	217,603	1,008	98.87%	201,539	100.00%	201,539	16,064	7.97%	
Police	382,041	4,891	1,239	388,171	385,855	1,365	99.40%	345,924	100.00%	345,924	39,931	11.54%	
Total Public Safety	601,256	5,049	1,963	608,268	603,458	2,373	99.21%	547,463	100.00%	547,463	55,995	10.23%	
<b>Capital Maintenance</b>													
Transportation	35,326	423	592	36,341	34,906	407	96.05%	30,217	100.00%	30,217	4,689	15.52%	
Public Works	43,878	2,171	725	46,774	45,293	294	96.83%	43,440	100.00%	43,440	1,853	4.27%	
Total Capital Maintenance	79,204	2,594	1,317	83,115	80,199	701	96.49%	73,657	100.00%	73,657	6,542	8.88%	
<b>Community Service</b>													
Housing	830	-	60	890	692	134	77.75%	651	100.00%	651	41	6.30%	
Library	32,488	(43)	44	32,489	32,017	41	98.55%	29,626	100.00%	29,626	2,391	8.07%	
Planning, Bldg & Code Enf.	54,487	(2,234)	2,676	54,929	48,529	2,074	88.35%	48,453	100.00%	48,453	76	0.16%	
Parks, Rec & Neigh Svcs	75,570	711	671	76,952	75,255	565	97.79%	70,552	100.00%	70,552	4,703	6.67%	
Environmental Services	2,748	396	19	3,163	2,787	116	88.11%	1,404	100.00%	1,404	1,383	98.50%	
Total Community Services	166,123	(1,170)	3,470	168,423	159,280	2,930	94.57%	150,686	100.00%	150,686	8,594	5.70%	
Total Dept. Expenditures	949,468	11,129	11,502	972,099	939,125	11,248	96.61%	865,639	100.00%	865,639	73,486	8.49%	

(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 transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.

**CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
EXPENDITURES  
FOR THE MONTHS ENDED JUNE 30, 2018  
( UNAUDITED )  
( \$000's )**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END ACTUAL (1)(*)	CUR YTD LESS	% CHANGE
	FY 2017-2018 BUDGET	BUDGET AMENDMENTS		FY 2017-2018 BUDGET	ACTUAL (*)	ENCUMBR	ACTUAL % OF BUDGET	YTD ACTUAL (1)(*)	OF PRIOR YEAR-END ACTUAL		PRIOR YTD ACTUAL (1)	LESS PRIOR YTD ACTUAL
<b>Non-Dept Expenditures</b>												
City-wide Expenditures:												
Econ & Neighborhood Develop.	31,501	(259)	5,709	36,951	25,835	5,461	69.92%	37,893	100.00%	37,893	(12,058)	-31.82%
Environmental & Utility Services	1,585	1,518	292	3,395	2,006	212	59.09%	1,947	100.00%	1,947	59	3.03%
Public Safety	19,425	5,458	299	25,182	21,792	1,683	86.54%	17,776	100.00%	17,776	4,016	22.59%
Recreation & Cultural Services	10,022	452	611	11,085	9,474	602	85.47%	9,356	100.00%	9,356	118	1.26%
Transportation Services	3,550	(634)	-	2,916	2,965	-	101.68%	6,325	100.00%	6,325	(3,360)	-53.12%
Strategic Support	51,783	193,150	3,889	248,822	231,602	4,212	93.08%	143,846	100.00%	143,846	87,756	61.01%
<b>Total City-wide Expenditures</b>	<b>117,866</b>	<b>199,685</b>	<b>10,800</b>	<b>328,351</b>	<b>293,674</b>	<b>12,170</b>	<b>89.44%</b>	<b>217,143</b>	<b>100.00%</b>	<b>217,143</b>	<b>76,531</b>	<b>35.24%</b>
Other Non-Dept Expenditures:												
Capital Improvements	41,739	4,420	23,765	69,924	32,408	15,048	46.35%	49,301	100.00%	49,301	(16,893)	-34.27%
Transfers to Other Funds	32,445	1,902	-	34,347	34,347	-	100.00%	28,068	100.00%	28,068	6,279	22.37%
<b>Total Non-Dept Expenditures</b>	<b>192,050</b>	<b>206,007</b>	<b>34,565</b>	<b>432,622</b>	<b>360,429</b>	<b>27,218</b>	<b>83.31%</b>	<b>294,512</b>	<b>100.00%</b>	<b>294,512</b>	<b>65,917</b>	<b>22.38%</b>
<b>Reserves</b>												
Contingency Reserve	36,000	500	-	36,500	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	99,134	42,661	-	141,795	-	-	0.00%	3	100.00%	3	(3)	0.00%
<b>Total Reserves</b>	<b>135,134</b>	<b>43,161</b>	<b>-</b>	<b>178,295</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>3</b>	<b>100.00%</b>	<b>3</b>	<b>(3)</b>	<b>0.00%</b>
<b>Total Uses</b>	<b>1,276,652</b>	<b>260,297</b>	<b>46,067</b>	<b>1,583,016</b>	<b>1,299,554</b>	<b>38,466</b>	<b>82.09%</b>	<b>1,160,154</b>	<b>100.00%</b>	<b>1,160,154</b>	<b>139,400</b>	<b>12.02%</b>

(1) Does not include encumbrance balance.

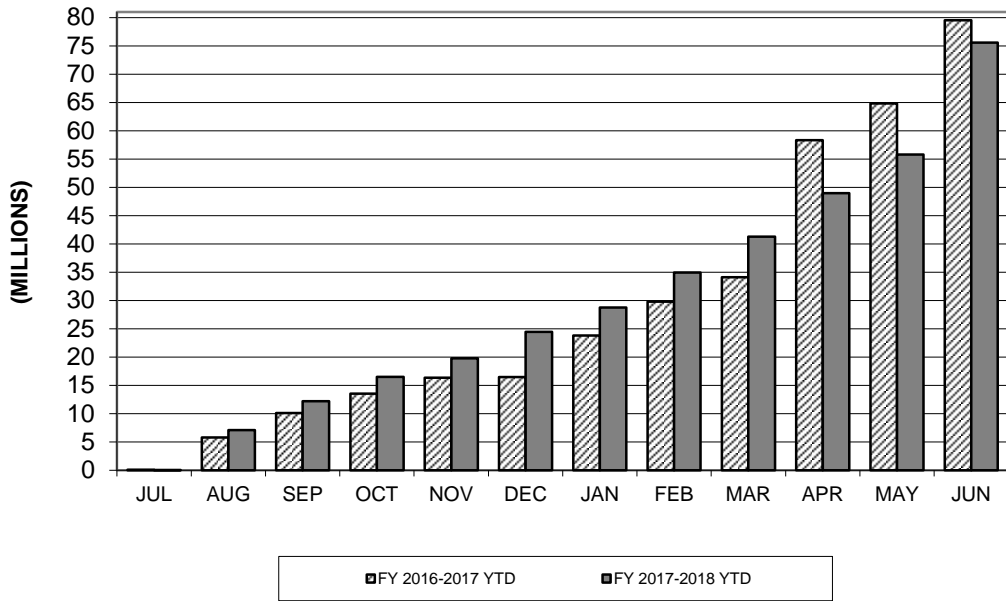
(\*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary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

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**FOR THE MONTHS ENDED JUNE 30, 2018**  
**SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES**  
*(UNAUDITED)*  
*( \$000's )*

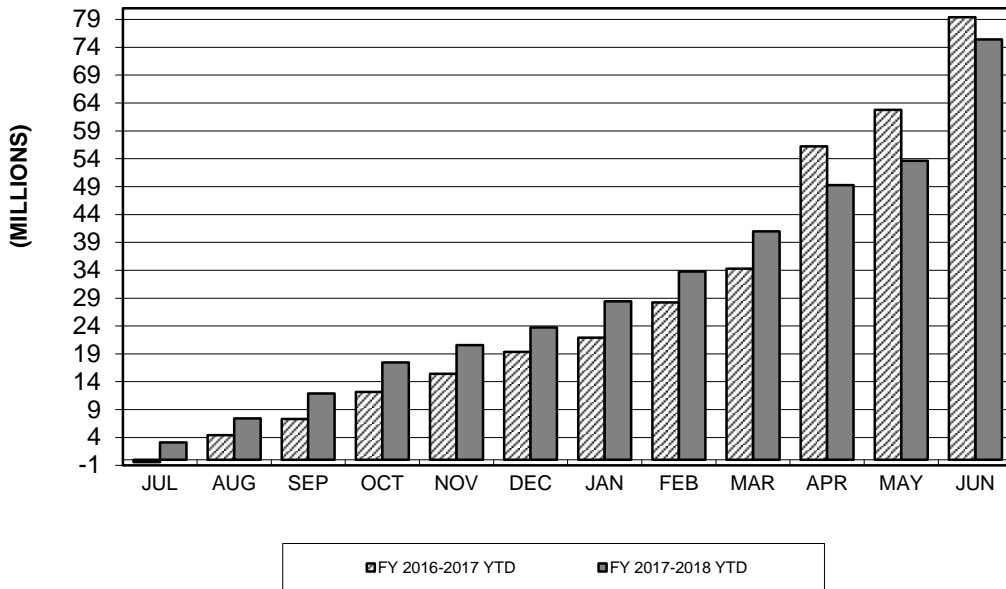
	ADOPTED FY 2017-2018 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2017-2018 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Police	1,373	-	-	1,373	1,337	97.38%	1,206	100.00%	1,206	131	10.86%
Public Works	11,585	-	-	11,585	14,321	123.62%	10,914	100.00%	10,914	3,407	31.22%
Transportation	1,675	-	-	1,675	1,897	113.25%	1,595	100.00%	1,595	302	18.93%
Library	775	-	-	775	588	75.87%	650	100.00%	650	(62)	-9.54%
Planning, Bldg & Code Enf	7,730	-	-	7,730	6,332	81.91%	4,448	100.00%	4,448	1,884	42.36%
Parks Rec & Neigh Svcs	21,748	-	-	21,748	22,016	101.23%	20,958	100.00%	20,958	1,058	5.05%
Miscellaneous Dept Charges	3,613	(307)	-	3,306	4,212	127.40%	5,093	100.00%	5,093	(881)	-17.30%
<b>Total Departmental Revenues</b>	<b>48,499</b>	<b>(307)</b>	<b>-</b>	<b>48,192</b>	<b>50,703</b>	<b>105.21%</b>	<b>44,864</b>	<b>100.00%</b>	<b>44,864</b>	<b>5,839</b>	<b>13.01%</b>

(\*) - 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 transactions are recognized as revenues or expenditures on a budgetary basis but not on a GAAP basis.

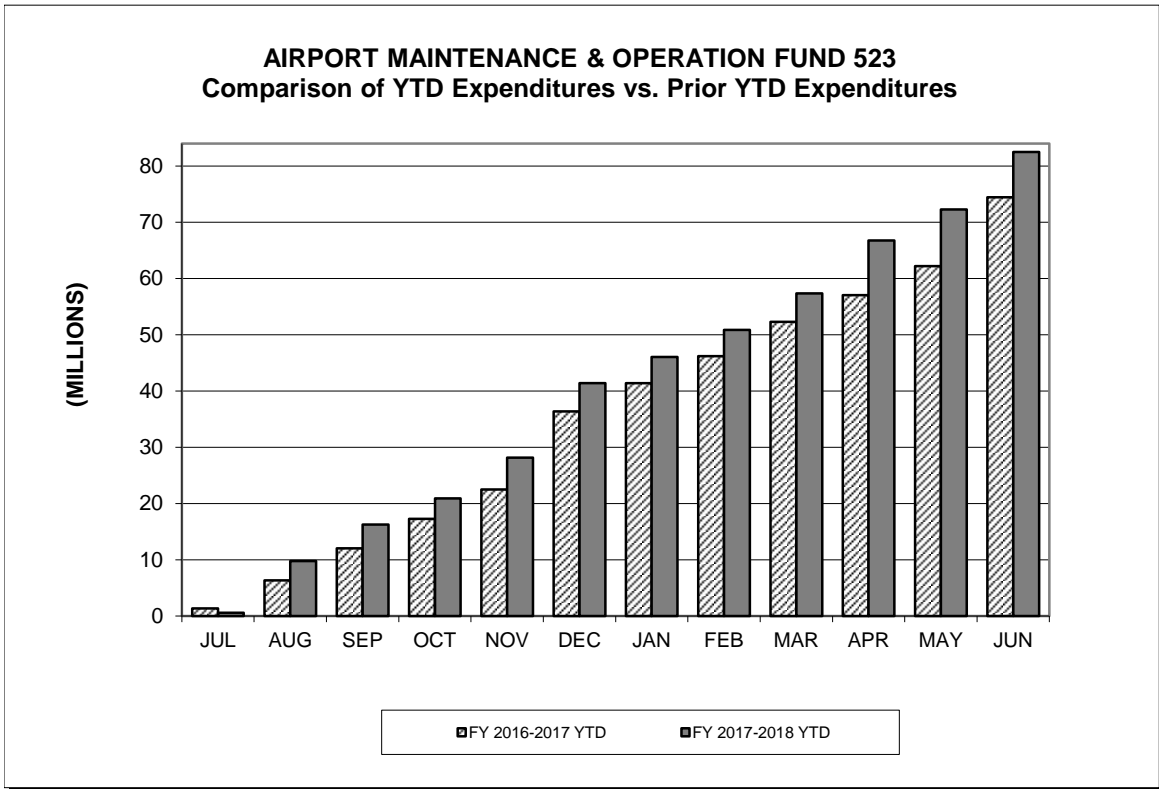
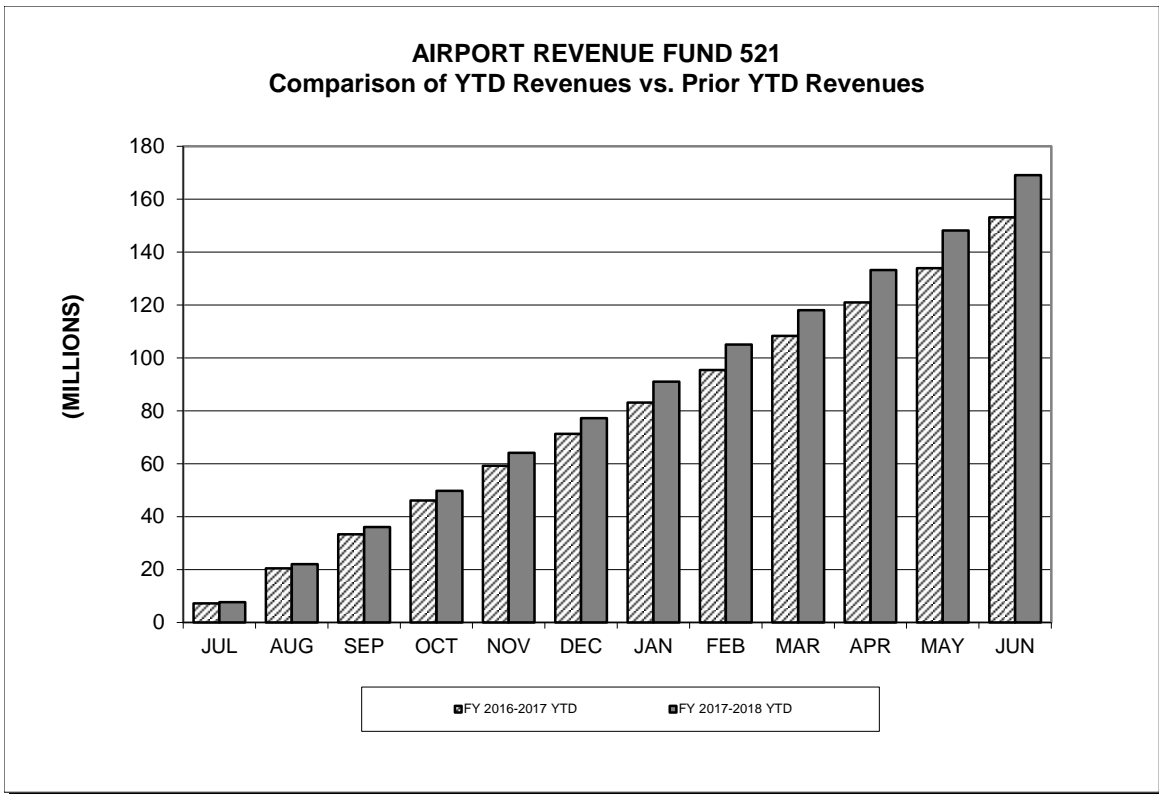
**CONSTRUCTION & CONVEYANCE TAX FUNDS**  
**Comparison of YTD Revenues vs. Prior YTD Revenues**



**CONSTRUCTION & CONVEYANCE TAX FUNDS**  
**Comparison of YTD Expenditures vs. Prior YTD Expenditures**

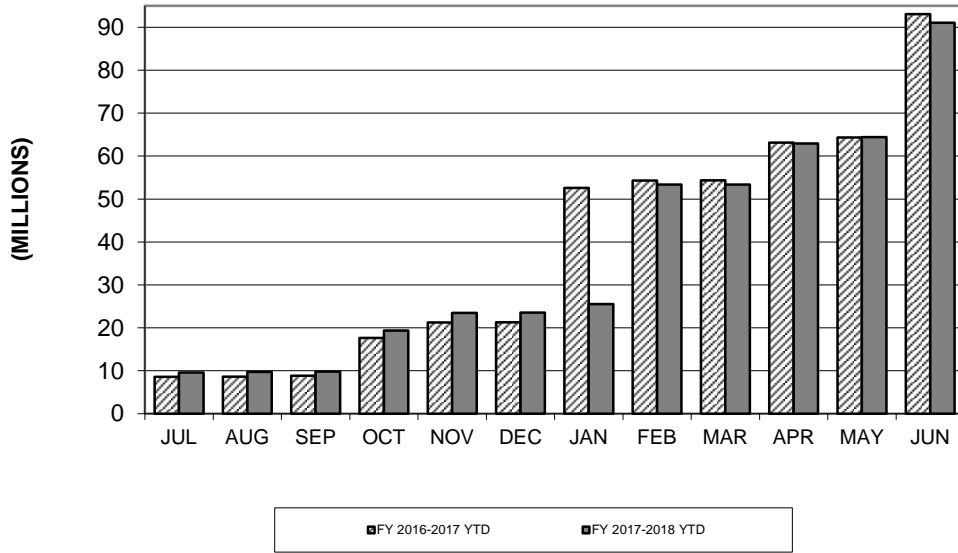




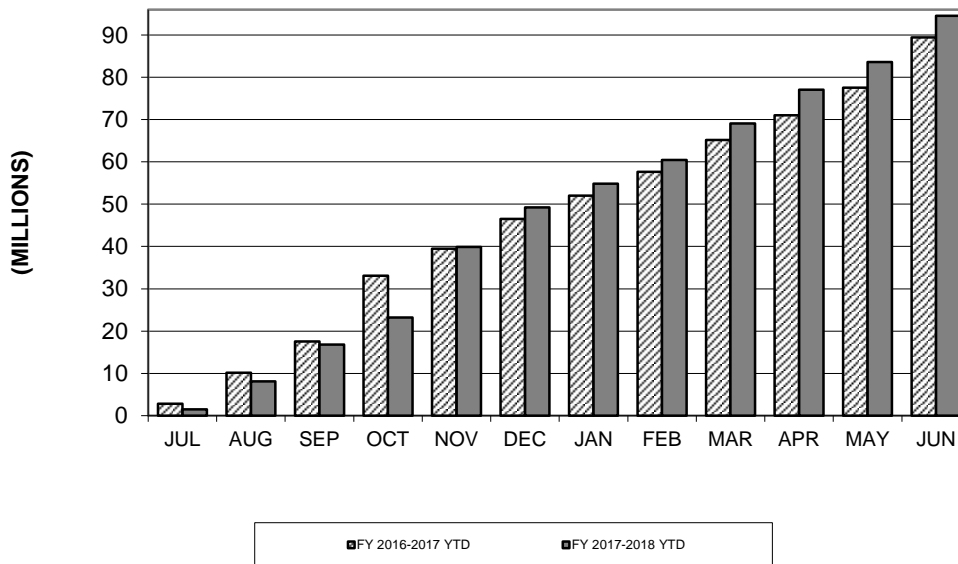


Note: The graphs above include the Airport Revenue Fund (521) and Airport Maintenance & Operation fund (523) only.

**WPCP OPERATION FUND 513  
Comparison of YTD Revenues vs. Prior YTD Revenues**

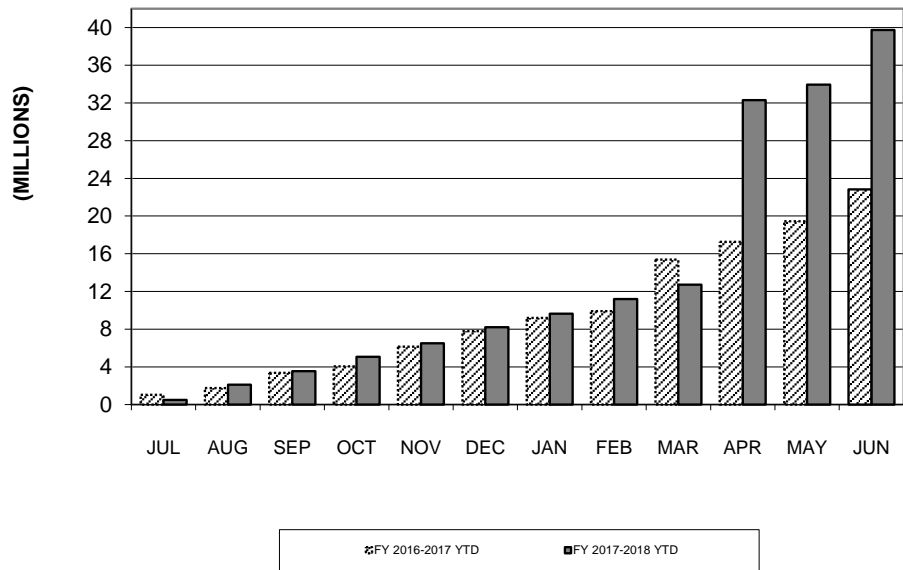


**WPCP OPERATION FUND 513  
Comparison of YTD Expenditures vs. Prior YTD Expenditures**

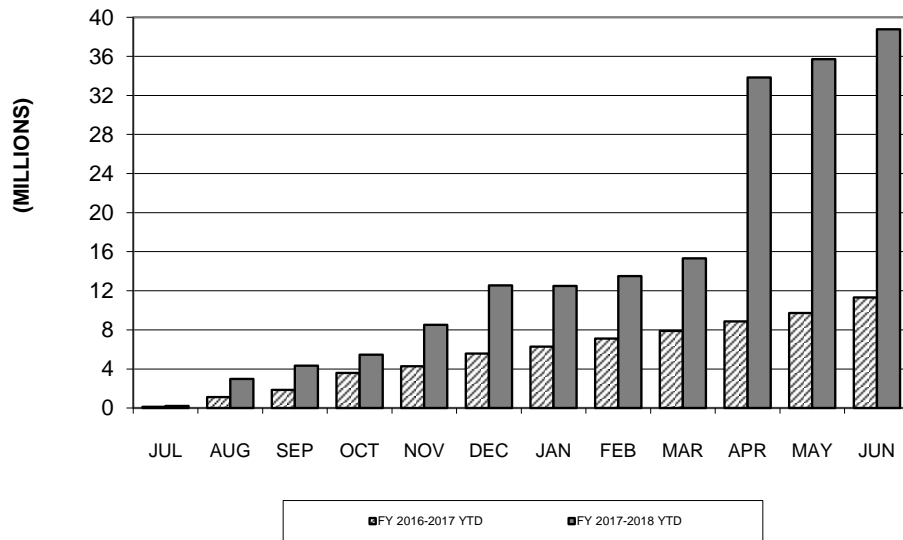


Note: The graphs above are only for the WPCP Operation Fund (513).

**GENERAL PURPOSE PARKING FUND 533**  
**Comparison of YTD Revenues vs. Prior YTD Revenues**



**GENERAL PURPOSE PARKING FUND 533**  
**Comparison of YTD Expenditures vs. Prior YTD Expenditures**



Note: The graphs above are only for the General Purpose Parking Fund (533).

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2017-2018	BUDGET		FY 2017-2018	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
<b>Construction/Conveyance Tax</b>							
Prior Year Encumbrance	-	-	11,195	11,195	11,195	-	6,238
Beginning Fund Balance	70,197	5,983	-	76,180	76,180	-	81,510
Revenues	49,355	32,348	-	81,703	75,608	-	79,538
<b>Total Sources</b>	<b>119,552</b>	<b>38,331</b>	<b>11,195</b>	<b>169,078</b>	<b>162,983</b>	<b>-</b>	<b>167,286</b>
<b>Total Uses</b>	<b>119,552</b>	<b>38,331</b>	<b>11,195</b>	<b>169,078</b>	<b>75,420</b>	<b>11,227</b>	<b>79,389</b>
<b>Airport</b>							
Prior Year Encumbrance	-	-	18,659	18,659	18,659	-	19,786
Beginning Fund Balance	266,405	18,962	-	285,367	285,367	-	290,940
Revenues	460,128	14,278	-	474,406	469,218	-	410,515
<b>Total Sources</b>	<b>726,533</b>	<b>33,240</b>	<b>18,659</b>	<b>778,432</b>	<b>773,244</b>	<b>-</b>	<b>721,241</b>
<b>Total Uses</b>	<b>726,533</b>	<b>33,240</b>	<b>18,659</b>	<b>778,432</b>	<b>410,792</b>	<b>22,856</b>	<b>357,646</b>
<b>Waste Water Treatment</b>							
Prior Year Encumbrance	-	-	192,392	192,392	192,392	-	190,302
Beginning Fund Balance	200,202	9,072	-	209,274	209,274	-	219,673
Revenues	462,916	-	-	462,916	368,825	-	368,851
<b>Total Sources</b>	<b>663,118</b>	<b>9,072</b>	<b>192,392</b>	<b>864,582</b>	<b>770,491</b>	<b>-</b>	<b>778,826</b>
<b>Total Uses</b>	<b>663,118</b>	<b>9,072</b>	<b>192,392</b>	<b>864,582</b>	<b>400,781</b>	<b>285,859</b>	<b>387,540</b>
<b>Parking</b>							
Prior Year Encumbrance	-	-	2,914	2,914	2,914	-	804
Beginning Fund Balance	22,153	6,473	-	28,626	28,626	-	20,244
Revenues	16,731	24,387	-	41,118	39,728	-	22,829
<b>Total Sources</b>	<b>38,884</b>	<b>30,860</b>	<b>2,914</b>	<b>72,658</b>	<b>71,268</b>	<b>-</b>	<b>43,877</b>
<b>Total Uses</b>	<b>38,884</b>	<b>30,860</b>	<b>2,914</b>	<b>72,658</b>	<b>38,774</b>	<b>3,513</b>	<b>11,741</b>
<b>Municipal Water</b>							
Prior Year Encumbrance	-	-	2,315	2,315	2,315	-	4,981
Beginning Fund Balance	17,170	5,615	-	22,785	22,785	-	20,223
Revenues	52,109	-	-	52,109	53,529	-	53,910
<b>Total Sources</b>	<b>69,279</b>	<b>5,615</b>	<b>2,315</b>	<b>77,209</b>	<b>78,629</b>	<b>-</b>	<b>79,114</b>
<b>Total Uses</b>	<b>69,279</b>	<b>5,615</b>	<b>2,315</b>	<b>77,209</b>	<b>53,505</b>	<b>2,767</b>	<b>50,409</b>

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2017-2018	BUDGET		FY 2017-2018	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Gas Tax</b>							
Revenues	17,300	-	-	17,300	16,606	-	17,337
<b>Total Sources</b>	<b>17,300</b>	<b>-</b>	<b>-</b>	<b>17,300</b>	<b>16,606</b>	<b>-</b>	<b>17,337</b>
<b>Total Uses</b>	<b>17,300</b>	<b>-</b>	<b>-</b>	<b>17,300</b>	<b>16,606</b>	<b>-</b>	<b>17,337</b>
<b>Building and Structures</b>							
Prior Year Encumbrance	-	-	10,741	10,741	10,741	-	6,947
Beginning Fund Balance	39,882	5,932	-	45,814	45,814	-	44,040
Revenues	31,421	7,563	-	38,984	30,022	-	26,542
<b>Total Sources</b>	<b>71,303</b>	<b>13,495</b>	<b>10,741</b>	<b>95,539</b>	<b>86,577</b>	<b>-</b>	<b>77,529</b>
<b>Total Uses</b>	<b>71,303</b>	<b>13,495</b>	<b>10,741</b>	<b>95,539</b>	<b>35,176</b>	<b>9,097</b>	<b>20,373</b>
<b>Residential Construction</b>							
Beginning Fund Balance	1,801	278	-	2,079	2,079	-	1,840
Revenues	217	11	-	228	358	-	276
<b>Total Sources</b>	<b>2,018</b>	<b>289</b>	<b>-</b>	<b>2,307</b>	<b>2,437</b>	<b>-</b>	<b>2,116</b>
<b>Total Uses</b>	<b>2,018</b>	<b>289</b>	<b>-</b>	<b>2,307</b>	<b>388</b>	<b>-</b>	<b>37</b>
<b>Transient Occupancy Tax</b>							
Prior Year Encumbrance	-	-	642	642	642	-	498
Beginning Fund Balance	5,094	2,716	-	7,810	7,810	-	7,722
Revenues	28,101	-	-	28,101	29,420	-	27,686
<b>Total Sources</b>	<b>33,195</b>	<b>2,716</b>	<b>642</b>	<b>36,553</b>	<b>37,872</b>	<b>-</b>	<b>35,906</b>
<b>Total Uses</b>	<b>33,195</b>	<b>2,716</b>	<b>642</b>	<b>36,553</b>	<b>29,289</b>	<b>832</b>	<b>27,257</b>
<b>Conventions, Arts &amp; Entertainment</b>							
Prior Year Encumbrance	-	-	2,686	2,686	2,686	-	199
Beginning Fund Balance	12,337	836	-	13,173	13,173	-	12,506
Revenues	14,705	11,185	-	25,890	89,464	-	69,433
<b>Total Sources</b>	<b>27,042</b>	<b>12,021</b>	<b>2,686</b>	<b>41,749</b>	<b>105,323</b>	<b>-</b>	<b>82,138</b>
<b>Total Uses</b>	<b>27,042</b>	<b>12,021</b>	<b>2,686</b>	<b>41,749</b>	<b>36,461</b>	<b>322</b>	<b>10,269</b>

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2017-2018	BUDGET		FY 2017-2018	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
<b>Golf</b>							
Beginning Fund Balance	182	24	-	206	206	-	743
Revenues	3,220	-	-	3,220	3,248	-	2,620
<b>Total Sources</b>	<b>3,402</b>	<b>24</b>	<b>3</b>	<b>3,429</b>	<b>3,457</b>	<b>-</b>	<b>3,363</b>
<b>Total Uses</b>	<b>3,402</b>	<b>24</b>	<b>3</b>	<b>3,429</b>	<b>3,432</b>	<b>-</b>	<b>3,150</b>
<b>Other Funds</b>							
Prior Year Encumbrance	-	-	38,236	38,236	38,236	-	32,177
Beginning Fund Balance	320,874	23,233	-	344,107	344,107	-	317,749
Revenues	392,768	21,062	-	413,830	467,675	-	430,960
<b>Total Sources</b>	<b>713,642</b>	<b>44,295</b>	<b>38,236</b>	<b>796,173</b>	<b>850,018</b>	<b>-</b>	<b>780,886</b>
<b>Total Uses</b>	<b>713,642</b>	<b>44,295</b>	<b>38,236</b>	<b>796,173</b>	<b>415,260</b>	<b>39,042</b>	<b>406,196</b>

**CITY OF SAN JOSE**  
**CAPITAL PROJECT FUNDS**  
**SOURCE AND USE OF FUNDS**  
**FOR THE MONTHS ENDED JUNE 30, 2018**  
*(UNAUDITED)*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2017-2018	BUDGET		FY 2017-2018	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Construction Excise</b>							
Prior Year Encumbrance	-	-	22,535	22,535	22,535	-	30,057
Beginning Fund Balance	76,720	6,722	-	83,442	83,442	-	71,089
Revenues	83,693	32,734	-	116,427	70,886	-	57,850
<b>Total Sources</b>	<b>160,413</b>	<b>39,456</b>	<b>22,535</b>	<b>222,404</b>	<b>176,863</b>	<b>-</b>	<b>158,996</b>
<b>Total Uses</b>	<b>160,413</b>	<b>39,456</b>	<b>22,535</b>	<b>222,404</b>	<b>53,764</b>	<b>44,101</b>	<b>52,800</b>
<b>Other</b>							
Prior Year Encumbrance	-	-	202	202	202	-	1,713
Beginning Fund Balance	28,513	3,644	-	32,157	32,157	-	30,917
Revenues	9,583	72	-	9,655	682	-	584
<b>Total Sources</b>	<b>38,096</b>	<b>3,716</b>	<b>202</b>	<b>42,014</b>	<b>33,041</b>	<b>-</b>	<b>33,214</b>
<b>Total Uses</b>	<b>38,096</b>	<b>3,716</b>	<b>202</b>	<b>42,014</b>	<b>4,369</b>	<b>7,939</b>	<b>1,834</b>

**CITY OF SAN JOSE  
OTHER FUND TYPES  
SOURCE AND USE OF FUNDS  
FOR THE MONTHS ENDED JUNE 30, 2018  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2017-2018 BUDGET	BUDGET AMENDMENTS		FY 2017-2018 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
<b>Trust and Agency</b>							
Prior Year Encumbrance	-	-	39	39	39	-	87
Beginning Fund Balance	5,151	3,500	-	8,651	8,651	-	9,527
Revenues	1,644	1,452	-	3,096	3,577	-	2,587
<b>Total Sources</b>	<u>6,795</u>	<u>4,952</u>	<u>39</u>	<u>11,786</u>	<u>12,267</u>	<u>-</u>	<u>12,201</u>
<b>Total Uses</b>	<u>6,795</u>	<u>4,952</u>	<u>39</u>	<u>11,786</u>	<u>3,442</u>	<u>171</u>	<u>3,546</u>