

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Airport Maintenance And Operation Fund (523)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Master Trust Agreement/Transfers and Reimbursements (Transfer from Airport Revenue Fund) (2019 Airline Lease and Operating Agreement)	Airport Department		\$5,711,068	\$5,711,068

This action increases the Master Trust Agreement Reserve by \$5,711,068, from \$25,259,375 to \$30,970,443 and Transfers and Reimbursements also by \$5,711,068, from \$111,125,169 to \$116,836,237, to reflect the payout of the net remaining revenues to the airlines per the operating agreement. The 2019 Airline-Airport Lease and Operating Agreement provides for net remaining revenues be paid to the signatory airlines upon the close of each fiscal year. To close out the 2007 agreement that expired June 30, 2019, the airport and airlines agreed that the balance of net remaining revenues generated over the term of the agreement would be paid out as well. Of the total net remaining revenue paid of \$13.9 million, a portion of this payment (\$5.7 million) was made from the Master Trust Agreement Reserve in the Airport Maintenance and Operation Fund. In order to meet Master Trust Agreement reserve requirements, this funding must be replenished. This action allocates and transfers \$5.7 million from the Airport Revenue Fund to the Airport Maintenance and Operation Fund. Corresponding actions in the Airport Revenue Fund are recommended elsewhere in this report.

Non-Personal/Equipment (Insurance Premiums)	Airport Department		\$317,000	
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This action increases the Non-Personal/Equipment appropriation to the Airport Department by \$317,000, from \$45.7 million to \$46.0 million, to ensure sufficient funding for increasing insurance premiums on property, liability, and auto coverage. A corresponding reduction to the Operations Contingency is recommended below to offset this increase.

Operations Contingency (Insurance Premiums)	Airport Department		(\$317,000)	
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This action decreases the Airport Operations Contingency by \$317,000, from \$2.7 million to \$2.4 million, to offset the increase to the Non-Personal/Equipment appropriation to the Airport Department to ensure sufficient funding for increasing insurance premiums on property, liability, and auto coverage. A corresponding action is recommended above.

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<b>Airport Maintenance And Operation Fund (523)</b>			<b>\$5,711,068</b>	<b>\$5,711,068</b>
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# Special Funds Recommended Budget Adjustments Summary 2018-2019 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		\$87,472	\$87,472

This action increases the Transfer from the General Fund and increases the Airline Agreement Reserve appropriation by \$87,472. 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 \$87,472 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 2019 that had not yet been reimbursed. A corresponding action in the General Fund is recommended to offset this action.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 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 (Transfer from Airport Surplus Revenue Fund) (Green Island Principal and Interest)	Airport Department		\$112,207	\$112,207

This action increases the Airline Agreement Reserve by \$112,207, and the estimate for Transfers and Reimbursements by \$112,207, to reflect the early payoff of the outstanding commercial paper principal and interest debt for the Green Island. Rental Car companies were previously located at the "Green Island," which is now the site of the Economy Parking lot. When the new rental car garage was built, rental car companies were responsible for the cost of returning the Green Island to its original condition. Airport completed the work, funded by commercial paper. These actions reimburse the Airport for this early payoff by increasing the Transfer from the Airport Surplus Revenue Fund and allocating the funding to the Airline Agreement Reserve. Corresponding adjustments in the Airport Surplus Revenue Fund are recommended elsewhere in this report.

Airline Agreement Reserve/Transfers and Reimbursements (Transfer from Fiscal Agent Fund) (Fiscal Agent Funds Release)	Airport Department		\$850,000	\$850,000
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This action increases the Airline Agreement Reserve and the estimate for Transfers and Reimbursements by \$850,000, to reflect the release and return of interest funding not required for debt service and transfers these funds from the Airport Fiscal Agent Fund to the Airport Revenue Fund. The Airport Fiscal Agent manages the funds and reserves required for bond debt coverage and payments. When a reserve or funds reach/exceed their required purpose or timing, the Fiscal Agent releases the funds to be returned to general Airport Revenue. Corresponding adjustments in the Airport Fiscal Agent Fund are recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 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 (Commercial Paper Paydown)	Airport Department		\$10,000,000	

This action increases the Transfer to the Airport Surplus Revenue Fund by \$10.0 million, from \$53.3 million to \$63.3 million, for early payoff of debt related to prior capital projects. As revenues remain strong at the airport, the Airport Department intends to payoff more commercial paper debt than previously anticipated. Corresponding actions in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

Airline Agreement Reserve (Commercial Paper Paydown)	Airport Department		(\$10,000,000)	
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This action decreases the Airline Agreement Reserve by \$10.0 million, from \$99.3 million to \$89.3 million for early payoff of debt related to prior capital projects. As revenues remain strong at the airport, the Airport Department intends to payoff more commercial paper debt than previously anticipated. Corresponding actions in the Airport Surplus Revenue Fund and in this fund are recommended elsewhere in this report.

Airline Agreement Reserve (2019 Airline Lease and Operating Agreement)	Airport Department		(\$5,711,068)	
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This action decreases the Airline Agreement Reserve by \$5,711,068, from \$99,300,785 to \$93,589,717, to reflect the payout of the net remaining revenues to the airlines per the operating agreement. The 2019 Airline-Airport Lease and Operating Agreement provides for net remaining revenues be paid to the signatory airlines upon the close of each fiscal year. To close out the 2007 agreement that expired June 30, 2019, the airport and airlines agreed that the balance of net remaining revenues generated over the term of the agreement would be paid out as well. Of the total net remaining revenue paid of \$13.9 million, a portion of this payment (\$5.7 million) was made from the Master Trust Agreement Reserve in the Airport Maintenance and Operation Fund. In order to meet Master Trust Agreement reserve requirements, this funding must be replenished. This action allocates and transfers \$5.7 million from the Airport Revenue Fund to the Airport Maintenance and Operation Fund. Corresponding actions in the Airport Maintenance and Operation Fund and here are recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Airport Revenue Fund (521)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to Airport Maintenance and Operation Fund (2019 Airline Lease and Operating Agreement)	Airport Department		\$5,711,068	

This action increases the Transfer to the Airport Maintenance and Operation Fund by \$5,711,068, from \$111,125,169 to \$116,836,237, to reflect the payout of the net remaining revenues to the airlines per the operating agreement. The 2019 Airline-Airport Lease and Operating Agreement provides for net remaining revenues be paid to the signatory airlines upon the close of each fiscal year. To close out the 2007 agreement that expired June 30, 2019, the airport and airlines agreed that the balance of net remaining revenues generated over the term of the agreement would be paid out as well. Of the total net remaining revenue paid of \$13.9 million, a portion of this payment (\$5.7 million) was made from the Master Trust Agreement Reserve in the Airport Maintenance and Operation Fund. In order to meet Master Trust Agreement reserve requirements, this funding must be replenished. This action allocates and transfers \$5.7 million from the Airport Revenue Fund to the Airport Maintenance and Operation Fund. Corresponding actions in the Airport Maintenance and Operation Fund and here are recommended elsewhere in this report.

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## Airport Revenue Fund (521)

\$1,049,679 \$1,049,679

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Airport Surplus Revenue Fund (524)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Green Island Principal and Interest	Airport Department		(\$112,207)	
<p>This action eliminates the Green Island Principal and Interest appropriation in the amount of \$112,207 to reflect the early payoff of the outstanding commercial paper principal and interest debt for the Green Island. Rental Car companies were previously located at the "Green Island," which is now the site of the Economy Parking lot. When the new rental car garage was built, rental car companies were responsible for the cost of returning the Green Island to its original condition. Airport completed the work, funded by commercial paper. Corresponding adjustments to transfer this funding to the Airport Revenue Fund are recommended elsewhere in this report.</p>				
Transfer to Airport Revenue Fund (Green Island Principal and Interest)	Airport Department		\$112,207	
<p>This action establishes a transfer to the Airport Revenue Fund in the amount of \$112,207 to reflect the early payoff of the outstanding commercial paper principal and interest debt for the Green Island. Rental Car companies were previously located at the "Green Island," which is now the site of the Economy Parking lot. When the new rental car garage was built, rental car companies were responsible for the cost of returning the Green Island to its original condition. Airport completed the work, funded by commercial paper. This action reimburses the Airport for this early payoff. Corresponding adjustments in the Airport Revenue Fund and this fund are recommended elsewhere in this report.</p>				
Commercial Paper Principal and Interest/Transfers and Reimbursements (Transfer from Airport Revenue Fund) (Commercial Paper Paydown)	Airport Department		\$10,000,000	\$10,000,000
<p>This action increases the Commercial Paper Principal and Interest appropriation by \$10.0 million, from \$4.0 million to \$14.0 million, and the estimate for Transfers and Reimbursements by \$10.0 million, from \$53.4 million to \$63.4 million, for early payoff of debt. As revenues remain strong at the airport, the Airport Department intends to payoff more Commercial Paper debt than previously anticipated. Corresponding actions in the Airport Revenue Fund are recommended elsewhere in this report.</p>				
<b>Airport Surplus Revenue Fund (524)</b>			<b>\$10,000,000</b>	<b>\$10,000,000</b>

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$331,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$252,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Personal Services (Special District Landscape Services)	Transportation Department		(\$79,000)	
<p>This action decreases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>				

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**Comm Fac Dist No. 2 (Aborn-Murillo) and No. 3 (Silverland-Capriana) Fund (369)**

## Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

### Community Development Block Grant Fund (441)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Neighborhood Infrastructure Improvements	Housing Department		(\$1,055,000)	
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This adjustment decreases the Neighborhood Infrastructure Improvements appropriation by \$1,055,000, from \$7.7 million to \$6.6 million, to be reallocated to the Public Works Neighborhood Infrastructure Improvement appropriation for a Green Alley Way Improvement project that will improve two alleyways at 2nd Street and Washington. A corresponding increase to the Public Works Neighborhood Infrastructure Improvements appropriation to offset this action is found elsewhere in this report.

Housing Program Development and Monitoring (Consolidated Planning/Assessment of Fair Housing)	Housing Department		\$193,090	
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This action increases the Housing Program Development and Monitoring appropriation by \$193,090 to fund the City of San Jose's share of two contractual services agreements with the County of Santa Clara to prepare the Assessment of Fair Housing (\$79,685), and 5-Year Consolidated Plan and Annual Action Plan (\$113,405) documents as required by the Department of Housing and Urban Development. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$193,090)	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

Public Works Neighborhood Infrastructure Improvements (Green Alley Ways)	Public Works Department		\$1,055,000	
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This adjustment establishes the Public Works Neighborhood Infrastructure Improvements appropriation in the amount of \$1,055,000 for a Green Alley Way Improvement project that will improve two alleyways at 2nd Street and Washington. A corresponding decrease to the Neighborhood Infrastructure Improvements appropriation to the Housing Department to offset this action is found elsewhere in this report.

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### Community Development Block Grant Fund (441)



**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Community Facilities District No. 1 (Capitol Auto Mall) Fund (371)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Special District Landscape Services)	Transportation Department		\$19,000	
<p>This action increases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$19,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

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**Community Facilities District No. 1 (Capitol Auto Mall)  
Fund (371)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Community Facilities District No. 12 (Basking Ridge) Fund (376)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Special District Landscape Services)	Transportation Department		\$95,000	
<p>This action increases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$95,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

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**Community Facilities District No. 12 (Basking Ridge) Fund  
(376)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Community Facilities District No. 13 (Guadalupe Mines) Fund (310)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Special District Landscape Services)	Transportation Department		\$26,000	
<p>This action increases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$26,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

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**Community Facilities District No. 13 (Guadalupe Mines)  
Fund (310)**

**Special Funds Recommended Budget Adjustments Summary  
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**Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$105,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$105,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

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**Community Facilities District No. 16 (Raleigh-Coronado) Fund (344)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Community Facilities District No.17 Feasibility Project/Developer Contributions	Public Works Department		\$37,629	\$37,629

This action establishes the Community Facilities District No. 17 Feasibility Project appropriation in the amount of \$37,629 and the corresponding revenue estimate for Developer Contributions in the Community Facilities District No. 17 (Capitol Expy – Evergreen Place) Fund. Funding is provided for City staff costs to investigate the feasibility of forming a community facilities district and other fees associated with performing the steps required for formation. Any unspent funds will be refunded to the property owners, Civic South Bay, LLC and Arcadia Development Co.

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<b>Community Facilities District No. 17 (Capitol Expy – Evergreen Place) (496)</b>			<b>\$37,629</b>	<b>\$37,629</b>
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**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Community Facilities District No. 8 (Communications Hill) Fund (373)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$263,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Personal Services (Special District Landscape Services)	Transportation Department		\$86,000	
<p>This action increases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$349,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				

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**Community Facilities District No. 8 (Communications Hill)  
Fund (373)**

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Convention And Cultural Affairs Fund (536)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Insurance Expenses	Finance Department		\$7,000	
<p>This action increases the Insurance Expenses appropriation by \$7,000, from \$331,000 to \$338,000, in accordance with revised insurance premiums for city-wide property, liability, and other coverage recommended as part of the Finance Department's annual insurance renewal process. This action adjusts the proportionate insurance premium costs for coverage of the City-owned convention and cultural facilities.</p>				
City Facilities Safety Assessment	Public Works Department		\$207,000	
<p>This action establishes the City Facilities Safety Assessment appropriation in the amount of \$207,000 to conduct a security evaluation and threat assessment consistent with Homeland Security Best Practices for Antiterrorism (BPATs), which will inform the development of potential security and operational improvements to protect City-owned facilities and the residents and employees who use them. This allocation exclusively supports activities related to the San José McEnery Convention Center and various cultural facilities. An additional allocation of \$200,000 is recommended within the General Fund to support remaining City facilities.</p>				
Transfers and Reimbursements (Transfer from Transient Occupancy Tax Fund)	City Manager - Office of Economic Development			(\$249,808)
<p>Actual 2018-2019 Transient Occupancy Tax (TOT) collections in the TOT Fund were lower than the revised budgeted estimate of \$31.5 million by \$0.5 million. This action decreases revenue from the transfer to the Convention and Cultural Affairs Fund by \$249,808 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund during 2018-2019. Corresponding adjustments to decrease 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		(\$463,808)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<b>Convention And Cultural Affairs Fund (536)</b>			<b>(\$249,808)</b>	<b>(\$249,808)</b>

**Special Funds Recommended Budget Adjustments Summary  
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**Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Transfer from the General Fund)	Police Department			\$409
<p>This action recognizes a transfer from the General Fund in the amount of \$409 to account for expenses which were incurred in this fund inadvertently in 2018-2019 causing a negative 2019-2020 Beginning Fund Balance. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Police Department		\$409	
<p>This action increases the Ending Fund Balance to offset the action in this report.</p>				
<b>Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)</b>			<b>\$409</b>	<b>\$409</b>



**Special Funds Recommended Budget Adjustments Summary  
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**Federal Drug Forfeiture Fund (419)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Investigative Equipment)	Police Department		\$215,000	

This action establishes a Non-Personal/Equipment appropriation to the Police Department in the Federal Drug Asset Forfeiture Fund in the amount of \$215,000 for the purchase of investigative equipment. In accordance with program objectives, these funds will be used for the direct and indirect enhancement of narcotics-related enforcement activities. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Police Department		(\$215,000)	
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This action decreases the Ending Fund Balance to offset the action in this report.

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**Federal Drug Forfeiture Fund (419)**

**Special Funds Recommended Budget Adjustments Summary  
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**Gift Trust Fund (139)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Airport Military Lounge/Other Revenue	Airport Department		\$581	\$581
<p>This action establishes the Airport military lounge appropriation and increases the estimate for Other Revenue to recognize and appropriate \$581 to fund supplies for the military lounge at the airport. When there are scheduled troop movements through the airport, the military lounge is opened up and stocked with water and snacks.</p>				
N. San Pedro Area Park Maintenance/Other Revenue	Parks, Recreation and Neighborhood Services Department		\$120,561	\$120,561
<p>This action establishes the N. San Pedro Area Park Maintenance appropriation and increases the estimate for Other Revenue to recognize and appropriate a payment of \$120,561 to fund maintenance of a new park area at Bassett Street Park and North San Pedro Linear Park.</p>				
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<b>Gift Trust Fund (139)</b>			<b>\$121,142</b>	<b>\$121,142</b>

**Special Funds Recommended Budget Adjustments Summary  
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**Home Investment Partnership Program Trust Fund (445)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Fair Housing	Housing Department		\$14,142	
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This action increases the Fair Housing appropriation by \$14,142, from \$66,962 to \$81,104, to fund a \$400,000 grant agreement with the Law Foundation of Silicon Valley, who provides legal representation to victims of housing discrimination. To maintain inclusive sustainable communities the Law Foundation provides legal representation designed to help victims of housing discrimination to access and maintain the housing of their choice. The remainder of this contract is funded by the Community Development Block Grant Fund. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$14,142)	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

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

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Housing Trust Fund (440)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Renters' Rights Campaign)	Housing Department		\$50,000	
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This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$50,000 to conduct a renter's rights campaign. This outreach is intended to inform the public about renter's rights under the City of San José's ordinances governing residential rentals and may include educational signage, videos, mailers, social media content, and events. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$50,000)	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

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**Housing Trust Fund (440)**

## Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

### Ice Centre Revenue Fund (432)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Electrical Repairs	Finance Department		\$82,167	
<p>This action increases the Structures Repairs appropriation by \$82,167, from \$540,000 to \$622,167, to provide funding for reimbursements to Sharks Sports Entertainment for the installation of a lighting system and building automation at Solar4America Ice. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Mechanical Repairs	Finance Department		\$693,247	
<p>This action increases the Mechanical Repairs appropriation by \$693,247, from \$447,100 to \$1,140,347, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at Solar4America Ice. The improvements included an ice chiller plant and boiler. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Miscellaneous Repairs	Finance Department		\$103,167	
<p>This action increases the Miscellaneous Repairs appropriation by \$103,167, from \$65,000 to \$168,167, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at Solar4America Ice. The improvements include painting, signage, and edgers. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Structures Repairs	Finance Department		\$624,639	
<p>This action increases the Structures Repairs appropriation by \$624,639, from \$35,000 to \$659,639, to provide funding for reimbursements to Sharks Sports Entertainment for the installation of dasher boards at Solar4America Ice. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				

**Special Funds Recommended Budget Adjustments Summary  
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**Ice Centre Revenue Fund (432)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Unanticipated/Emergency Repairs	Finance Department		\$109,569	

This action increases the Unanticipated/Emergency Repairs appropriation by \$109,569, from \$75,000 to \$184,569, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at Solar4America Ice. Improvements included refrigerant cylinders, tank softener system, and repair services. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.

Previously Approved Repairs Reserve	Office of the City Manager		(\$1,612,789)	
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This action decreases the Previously Approved Repairs Reserve by \$1,612,789, from \$2,057,321 to \$444,532, to offset the actions recommended in this report. Corresponding increases to the Electrical Repairs, Mechanical Repairs, Miscellaneous Repairs, Structures Repairs, and Unanticipated/Emergency Repairs appropriations are included in this report to provide funding for reimbursements to the Sharks Sports Entertainment for capital improvement repairs made at the Solar4America Ice.

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**Ice Centre Revenue Fund (432)**

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Inclusionary Fee Fund (451)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Inclusionary Housing Ordinance Update)	Housing Department		\$130,000	
<p>This action establishes a Non-Personal/Equipment appropriation to the Housing Department in the amount of \$130,000 for contractual services and program funding. A total of \$80,000 is recommended to fund an agreement with Street Level Advisors to conduct community engagement that will assist the Housing Department in the development of an updated Inclusionary Housing Ordinance. The remaining \$50,000 will provide for other programmatic needs such as supplies, travel, and computer costs. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.</p>				
Ending Fund Balance Adjustment	Housing Department		(\$130,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.</p>				
Transfers and Reimbursements (Inclusionary Fee Fund)	Housing Department			\$7,653,742
<p>This action increases the transfer from the Multi-Source Housing Fund by \$7.7 million, from \$11.1 million to \$18.8 million, to recognize the actual reconciled program balance for 2018-2019 activities in the newly established Inclusionary Fee Fund. The fund was established as part of the development of the 2019-2020 Adopted Budget recognizing only the Inclusionary Ordinance and Policy Fee Program balances through 2017-2018. In 2018-2019, additional revenues of \$7.8 million were collected and expenses of \$106,000 were incurred resulting in a 2018-2019 balance of \$7.7 million in the Multi-Source Housing Fund. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Inclusionary Ordinance and Policy Fee Program balances. An increase to the Housing Project Reserve in the Inclusionary Fee Fund and a corresponding transfer out of the Multi-Source Housing Fund are recommended elsewhere in this report to offset this action.</p>				
Housing Project Reserve	Housing Department		\$7,653,742	
<p>This action increases the Housing Project Reserve by \$7.7 million for future affordable housing development. This action is offset by a corresponding transfer to this fund found elsewhere in this report.</p>				
<b>Inclusionary Fee Fund (451)</b>			<b>\$7,653,742</b>	<b>\$7,653,742</b>

# Special Funds Recommended Budget Adjustments Summary 2018-2019 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>
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Non-Personal/Equipment (Affordable Housing Siting Policy)	Housing Department		\$150,000	
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This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$150,000 to fund an agreement to provide consultant services to develop an affordable housing siting policy that aligns City resources and priorities to foster equitable, integrated, and diverse communities. The consultant will assess current economic, educational, land-use (zoning), transportation, and demographic conditions. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Housing Predevelopment Activity	Housing Department		\$250,000	
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This action increases the Housing Predevelopment Activity appropriation by \$250,000, from \$650,000 to \$900,000, to fund an on-call architectural services agreement. The consultant will provide a full complement of building and site programming, design and construction administration services for a variety of Housing Department affordable housing and rehabilitation projects including Evans Lane and The Haven. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Ending Fund Balance Adjustment	Housing Department		(\$9,400,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

Housing Project Reserve (Low and Moderate Income Housing Asset Fund)	Housing Department		\$9,000,000	
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This action increases the Housing Project Reserve by \$9.0 million to set aside funds for future affordable housing development. A reduction to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

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



**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 1 (Los Paseos) Fund (352)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$116,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$79,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
Personal Services (Special District Landscape Services)	Transportation Department		(\$37,000)	
<p>This action decreases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding increase to the Ending Fund Balance is recommended to offset this action.</p>				

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**Maintenance District No. 1 (Los Paseos) Fund (352)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$41,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$41,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**Maintenance District No. 11 (Brokaw Rd/Junction Ave/Old Oakland Rd) Fund (364)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 15 (Silver Creek Valley) Fund (368)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Transportation Department		\$106,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.				
Personal Services (Special District Landscape Services)	Transportation Department		(\$106,000)	
This action decreases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding increase to the Ending Fund Balance is recommended to offset this action.				

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**Maintenance District No. 15 (Silver Creek Valley) Fund  
(368)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 18 (The Meadowlands) Fund (372)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Transportation Department		\$20,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.				
Personal Services (Special District Landscape Services)	Transportation Department		(\$20,000)	
This action decreases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding increase to the Ending Fund Balance is recommended to offset this action.				

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**Maintenance District No. 18 (The Meadowlands) Fund  
(372)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$26,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$26,000)	
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This action decreases the Ending Fund Balance to offset the action recommended in this report.

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**Maintenance District No. 19 (River Oaks Area Landscaping) Fund (359)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
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Non-Personal/Equipment (Special District Landscape Services)	Transportation Department		\$13,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation to properly align funding, such as for water costs and scheduled contracted services, based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Transportation Department		(\$13,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

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**Maintenance District No. 20 (Renaissance-N. First Landscaping) Fund (365)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Maintenance District No. 8 (Zanker-Montague) Fund (361)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Personal Services (Special District Landscape Services)	Transportation Department		\$16,000	
<p>This action increases the Transportation Department's Personal Services appropriation to properly align personal services funding based on the expected maintenance activities and projects planned across the special landscape districts. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>				
Ending Fund Balance Adjustment	Transportation Department		(\$16,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				

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**Maintenance District No. 8 (Zanker-Montague) Fund (361)**

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Bridge Housing Communities	Housing Department		\$1,700,000	

This action establishes the Bridge Housing Communities appropriation in the amount of \$1.7 million to fund the second year of a \$3.9 million agreement with HomeFirst Services of Santa Clara County for the operation of two Bridge Housing Communities sites as approved by the Mayor and City Council on December 18, 2018. The \$2.2 million balance for the operation of these sites is being funded by Homeless Emergency Aid Program (HEAP) grant funds. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.

Transfer to the Affordable Housing Impact Fee Fund	Housing Department		\$1,382,732	
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This action increases the transfer to the Affordable Housing Impact Fee internal tracking fund by \$1.4 million, from \$509,000 to \$1.9 million, to recognize the actual reconciled program balance for 2018-2019 activities attributable to the Affordable Housing Impact Fee Program. The internal fund was created as part of the development of the 2019-2020 Adopted Budget and included only the Affordable Housing Impact Fee Program balance through 2017-2018. In 2018-2019, additional revenues of \$1.5 million were collected and expenses of \$104,000 were incurred resulting in a 2018-2019 balance of \$1.4 million in the Multi-Source Housing Fund. This reconciling transfer is the final transaction to administratively relieve the Multi-Source Housing Fund of all remaining Affordable Housing Impact Fee Program balances. A reduction to the Housing Project Reserve in the Multi-Source Housing Fund and increase in Transfers and Reimbursements in the Affordable Housing Impact Fee Program internal tracking fund are recommended elsewhere in this report to offset this action.



# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Homeless Emergency Aid Program Fund	Housing Department		\$103,679	

This action increases the transfer to the Homeless Emergency Aid Program Fund by \$103,679, from \$7.0 million to \$7.1 million, to recognize the interest earned for 2018-2019 activities attributable to the Homeless Emergency Aid Program. This internal fund was created as part of the development of the 2019-2020 Adopted Budget and only included actual grant revenues of \$11.4 million and expenditures, including encumbrances, of \$4.4 million. In 2018-2019, earned interest of \$104,000 was attributable to the Homeless Emergency Aid Program. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Homeless Emergency Aid Program balances. A reduction to the Ending Fund Balance in the Multi-Source Housing Fund and increase in Transfers and Reimbursements in the Homeless Emergency Aid Program internal tracking fund are recommended elsewhere in this report to offset this action.

Transfer to the Housing Authority Litigation Award Fund	Housing Department		\$257,115	
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This action increases the transfer to the Housing Authority Litigation Award internal tracking fund by \$257,115, from \$37.0 million to \$37.2 million, to recognize the interest earned in 2018-2019 attributable to the Housing Authority Litigation Award. This transfer is the final transaction to administratively relieve the Multi-Source Housing Fund of all remaining Housing Authority Litigation Award balances. A reduction to the Ending Fund Balance in the Multi-Source Housing Fund and increase in Transfers and Reimbursements in the Housing Authority Litigation Award internal tracking fund are recommended elsewhere in this report to offset this action.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Affordable Housing Impact Fee Fund)	Housing Department			\$1,382,732

This action increases the transfer from the Multi-Source Housing Fund by \$1.4 million, from \$509,200 to \$1.9 million, to recognize the actual reconciled program balance for 2018-2019 activities within the Affordable Housing Impact Fee internal tracking fund. The fund was created as part of the development of the 2019-2020 Adopted Budget and included only the Affordable Housing Impact Fee Program balance through 2017-2018. In 2018-2019, additional revenues of \$1.5 million were collected and expenses of \$104,000 were incurred resulting in a 2018-2019 balance of \$1.4 million in the Multi-Source Housing Fund. This reconciling transfer is the final transaction to administratively relieve the Multi-Source Housing Fund of all remaining Affordable Housing Impact Fee Program balances. A corresponding transfer out of the Multi-Source Housing Fund and an increase in Housing Loans and Grants in the Affordable Housing Impact Fee Program internal tracking fund are recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		(\$1,654,840)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfer to the Inclusionary Fee Fund	Housing Department		\$7,653,742	

This action increases the Transfer to the Inclusionary Fee Fund by \$7.7 million, from \$11.1 million to \$18.8 million, to recognize the actual reconciled program balance for 2018-2019 activities in the newly established Inclusionary Fee Fund. The fund was established as part of the development of the 2019-2020 Adopted Budget recognizing only the Inclusionary Ordinance and Policy Fee Program balances through 2017-2018. In 2018-2019, additional revenues of \$7.8 million were collected and expenses of \$106,000 were incurred resulting in a 2018-2019 balance of \$7.7 million in the Multi-Source Housing Fund. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Inclusionary Ordinance and Policy Fee Program balances. A reduction to the Housing Project Reserve in the Multi-Source Housing Fund and increase in Transfers and reimbursements in the Inclusionary Fee Fund are recommended elsewhere in this report to offset this action.

Transfer to the Rent Stabilization Program Fund	Housing Department		\$1,294,046	
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This action increases the transfer to the Rent Stabilization Program Fund by \$1.3 million, from \$735,000 to \$2.0 million, to recognize the actual reconciled program balance for 2018-2019 activities in the newly established Rent Stabilization Program Fund. The fund was established as part of the development of the 2019-2020 Adopted Budget recognizing only the Rent Stabilization Program balance through 2017-2018. In 2018-2019, additional revenues of \$3.6 million were collected and expenses of \$2.3 million were incurred resulting in a 2018-2019 balance of \$1.3 million in the Multi-Source Housing Fund. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Rent Stabilization Program balances. A reduction to the Ending Fund Balance in the Multi-Source Housing Fund and increase in Transfers and reimbursements in the Rent Stabilization Program Fund are recommended elsewhere in this report to offset this action.

City Housing Authority Reserve (Housing Authority Litigation Award)	Housing Department		(\$1,442,885)	
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This action decreases the City Housing Authority Reserve to offset the actions recommended elsewhere in this report.

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Multi-Source Housing Fund (448)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Housing Project Reserve (Multi-Source Housing Fund)	Housing Department		(\$9,036,474)	

This action decreases the Housing Project Reserve to offset the actions recommended elsewhere in this report.

Housing Project Reserve (Affordable Housing Impact Fee Memo Fund)	Housing Department		\$1,382,732	
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This action increases the Housing Project Reserve by \$1.4 million for future affordable housing development. A corresponding transfer is found elsewhere in this report to offset this action.

HOPWA VAWA/Revenue from Federal Government	Housing Department		\$508,952	\$508,952
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This action increases the HOPWA VAWA (Helping People with Aids – Violence Against Women's Act) appropriation and the corresponding estimate for Revenue from Federal Government by \$508,952 to account for the final allocation of a three-year competitive grant. The funds will be used to support permanent supportive housing for qualifying individuals.

Transfers and Reimbursements (Housing Authority Litigation Award Fund)	Housing Department			\$257,115
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This action increases the transfer from the Multi-Source Housing Fund by \$257,115, from \$37.0 million to \$37.2 million, to recognize the interest earned in 2018-2019 attributable to the Housing Authority Litigation Award. This transfer is the final transaction to administratively relieve the Multi-Source Housing Fund of all remaining Housing Authority Litigation Award balances. A corresponding transfer out of the Multi-Source Housing Fund and increase in City Housing Authority Reserve in the Housing Authority Litigation Award internal tracking fund are recommended elsewhere in this report to offset this action.

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Multi-Source Housing Fund (448)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Transfers and Reimbursements (Homeless Emergency Aid Program Fund)	Housing Department			\$103,679

This action increases the transfer from the Multi-Source Housing Fund by \$103,679, from \$7.0 million to \$7.1 million, to recognize the interest earned for 2018-2019 activities attributable to the Homeless Emergency Aid Program. This internal fund was created as part of the development of the 2019-2020 Adopted Budget and only included actual grant revenues of \$11.4 million and expenditures, including encumbrances, of \$4.4 million. In 2018-2019, earned interest of \$104,000 was attributable to the Homeless Emergency Aid Program. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Homeless Emergency Aid Program balances. A corresponding transfer out of the Multi-Source Housing Fund and increase in Ending Fund Balance in the Homeless Emergency Aid Program internal tracking fund are recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Housing Department		\$103,679	
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This action decreases the Ending Fund Balance to offset the action recommended elsewhere in this report.

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<b>Multi-Source Housing Fund (448)</b>			<b>\$2,252,478</b>	<b>\$2,252,478</b>
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**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**Municipal Golf Course Fund (518)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Los Lagos Debt Service/Transfers and Reimbursements	Parks, Recreation and Neighborhood Services Department		\$2,300,000	\$2,300,000

This action increases the Los Lagos Debt Service appropriation by \$2.3 million (from \$4.4 million to \$6.7 million) and increases the estimate for Transfers and Reimbursements to recognize a transfer from the General Fund to further pay down the debt service for Los Lagos. The direction provided in the Mayor's March and June Budget Messages for Fiscal Year 2019-2020, as approved by the City Council, prioritized the use of one-time resources to improve long-term fiscal responsibility by early retirement of debt obligations and allocated a total of \$6.2 million to both the elimination of Rancho Del Pueblo debt (\$3.4 million) and the early pay down of Los Lagos debt (\$2.8 million). This action provides an additional \$2.3 million to further this approach, and when combined with the actions in the 2019-2020 Adopted Budget, it will result in a cumulative annual debt service savings of approximately \$700,000 and shortens the debt retirement date by four years to 2026.

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<b>Municipal Golf Course Fund (518)</b>			<b>\$2,300,000</b>	<b>\$2,300,000</b>
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# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Rental Stabilization Program Fee Fund (450)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Ending Fund Balance Adjustment	Housing Department		\$794,046	
This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.				
Non-Personal/Equipment (Rent Stabilization Hearing Officers)	Housing Department		\$500,000	
This action increases the Non-Personal/Equipment appropriation to the Housing Department by \$500,000 to increase the hearing officer contractual services. Contractual hearing officers conduct hearings and mediations under the Apartment and Mobilehome Rent Ordinances and serve as petition hearing examiners. Hearings are conducted for petitions related to service reductions, housing code and Apartment Rent Ordinance violations, fair returns, and special capital improvements. Mediations are conducted when all parties to the petition have agreed to engage in mediation. An action decreasing the Ending Fund Balance to offset this action is found elsewhere in this report.				
Transfers and Reimbursements (Rent Stabilization Program Fee Fund)	Housing Department			\$1,294,046
This action increases the transfer from the Multi-Source Housing Fund by \$1.3 million, from \$734,960 to \$2.0 million, to recognize the actual reconciled program balance for 2018-2019 activities in the newly established Rent Stabilization Program Fund. The fund was established as part of the development of the 2019-2020 Adopted Budget recognizing only the Rent Stabilization Program balance through 2017-2018. In 2018-2019, additional revenues of \$3.6 million were collected and expenses of \$2.3 million were incurred resulting in a 2018-2019 balance of \$1.3 million in the Multi-Source Housing Fund. This transfer is the final transaction relieving the Multi-Source Housing Fund of all remaining Rent Stabilization Program balances. An increase to the Ending Fund Balance in this Fund and a corresponding transfer out of the Multi-Source Housing Fund are recommended elsewhere in this report to offset this action.				
<b>Rental Stabilization Program Fee Fund (450)</b>			<b>\$1,294,046</b>	<b>\$1,294,046</b>

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## San José Arena Capital Reserve Fund (459)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Previously Approved Repairs Reserve	Office of the City Manager		(\$2,214,125)	
<p>This action decreases the Previously Approved Repairs Reserve by \$2,214,125, from \$4,005,932 to \$1,791,807, to offset the actions recommended in this report. Corresponding increases to the Electrical Repairs, Mechanical Repairs, Miscellaneous Repairs, Structures Repairs, and Unanticipated/Emergency Repairs appropriations are included in this report to provide funding for reimbursements to the Sharks Sports Entertainment for capital improvement repairs made at the SAP Center.</p>				
Electrical Repairs	City Manager - Office of Economic Development		\$1,515,688	
<p>This action increases the Electrical Repairs appropriation by \$1,515,688, from \$152,750 to \$1,668,438, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the audio visual systems and lighting system. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Mechanical Repairs	City Manager - Office of Economic Development		\$185,429	
<p>This action increases the Mechanical Repairs appropriation by \$185,429, from \$1,700,000 to \$1,885,429, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at SAP Center. The improvements included repairs to brine chillers, plexiglass and piping replacement. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Miscellaneous Repairs	City Manager - Office of Economic Development		\$68,190	
<p>This action increases the Miscellaneous Repairs appropriation by \$68,190, from \$1,173,500 to \$1,241,690, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvement was for repairs to the Hall of Fame wall. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				



**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**San José Arena Capital Reserve Fund (459)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Structures Repairs	City Manager - Office of Economic Development		\$211,003	
<p>This action increases the Structures Repairs appropriation by \$211,003, from \$955,000 to \$1,166,003, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs to the SAP Center. The improvements included netting and retractable seating. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Unanticipated/Emergency Repairs	City Manager - Office of Economic Development		\$233,815	
<p>This action increases the Unanticipated/Emergency Repairs appropriation by \$233,815, from \$150,000 to \$383,815, to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. Some of the improvements included cameras, drywall repair, and carpet replacement. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				

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**San José Arena Capital Reserve Fund (459)**

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 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 (Sanitary Sewer System Odor Control Services)	Transportation Department		\$301,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$301,000 to cover a 30% increase in unit costs for the ferrous chloride chemical used to treat odor associated with the sanitary sewer system. Due to the significant cost increase, the Department considered reducing the amount of chemical needed or changing to a less expensive chemical. However, after evaluating these alternatives and consulting with Environmental Services Department staff, the Transportation Department determined that the ferrous chloride chemical currently used is critical to maintain the sanitary sewer system.

Ending Fund Balance Adjustment	Environmental Services Department		(\$301,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

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

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

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

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Deferred System Maintenance)	Environmental Services Department		\$500,000	

This action increases the Non-Personal/Equipment appropriation to the Environmental Services Department in the South Bay Water Recycling Operating Fund by \$500,000 to support deferred maintenance of the recycled water utility system. This funding will allow for necessary work to maintain and enhance the operation of the recycled water utility system, including such tasks as valve exercising, cathodic protection, electrical groundwork, general contracting services, facility maintenance, safety assessments, and system-wide communications design, support, and implementation. This action is offset by a corresponding decrease to the Ending Fund Balance recommended elsewhere in this report.

Ending Fund Balance Adjustment	Environmental Services Department		(\$500,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

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

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 Annual Report**

**State Drug Forfeiture Fund (417)**

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Non-Personal/Equipment (Investigative Equipment)	Police Department		\$485,000	

This action establishes a Non-Personal/Equipment appropriation to the Police Department in the State Drug Forfeiture Fund in the amount of \$485,000 for the purchase of investigative equipment. In accordance with program objectives, these funds will be used for the direct and indirect enhancement of narcotics-related enforcement activities. A corresponding adjustment to the Ending Fund Balance is recommended elsewhere in this report to offset this action.

Ending Fund Balance Adjustment	Police Department		(\$485,000)	
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This action decreases the Ending Fund Balance to offset the action in this report.

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**State Drug Forfeiture Fund (417)**

## Special Funds Recommended Budget Adjustments Summary 2018-2019 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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Non-Personal/Equipment (Positive Displacement Combination Cleaner)	Transportation Department		\$127,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$127,000 to fund higher than anticipated costs for the purchase of a new Positive Displacement Combination Cleaner for sanitary sewer maintenance. In the 2018-2019 Adopted Budget, \$400,000 was allocated for this vehicle (subsequently rebudgeted into 2019-2020); however, the actual cost is \$527,000 due to a combination of factors, including increased cost for parts and materials used for manufacturing.

Non-Personal/Equipment (Street Sweeper Vehicles)	Transportation Department		\$492,000	
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This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$492,000 to provide for the replacement of two street sweepers and the rental of one sweeper vehicle. One non-operational street sweeper is scheduled for replacement this year, and a second sweeper was removed from service in September 2019 due to a vehicle fire. The street sweepers are expected to cost \$600,000. The 2019-2020 Adopted Budget includes \$240,000 to purchase street sweepers, and \$360,000 is requested to cover the remaining cost of two street sweepers. Additionally, due to the unexpected loss of the street sweeper recently damaged by fire, the Department does not have enough sweeper vehicles to maintain service levels. An amount of \$132,000 is requested to fund the rental of a street sweeper for one year until both street sweeper units are received.

Ending Fund Balance Adjustment	Environmental Services Department		(\$619,000)	
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This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.

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### Storm Sewer Operating Fund (446)

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Transient Occupancy Tax Fund (461)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Cultural Grants (TOT and Special Event Permit Revenue Reconciliation)	City Manager - Office of Economic Development		(\$101,755)	
<p>Actual 2018-2019 Transient Occupancy Tax (TOT) collections in the TOT Fund were lower than the revised budgeted estimate of \$31.5 million by \$0.5 million. This action decreases the Cultural Grants appropriation by \$124,904 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund during 2018-2019, offset by an increase of \$23,149 to allocate Special Event Permit receipts in excess of the budgeted estimate. A corresponding adjustment to Ending Fund Balance is recommended in this report.</p>				
Transfer to the Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		(\$249,808)	
<p>Actual 2018-2019 Transient Occupancy Tax (TOT) collections in the TOT Fund were lower than the revised budgeted estimate of \$31.5 million by \$0.5 million. This action decreases the transfer to the Convention and Cultural Affairs Fund by \$249,808 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund during 2017-2018. Corresponding adjustments to decrease Transfers and Reimbursements in the Convention and Cultural Affairs Fund and adjust Ending Fund Balance are also recommended in this report.</p>				
San José Convention and Visitors Bureau (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		(\$124,904)	
<p>Actual 2018-2019 Transient Occupancy Tax (TOT) collections in the TOT Fund were lower than the revised budgeted estimate of \$31.5 million by \$0.5 million. This action decreases the San José Convention and Visitors Bureau appropriation by \$124,904 in accordance with the distribution formula outlined in the San José Municipal Code to allocate revenue received in the TOT Fund during 2018-2019. A corresponding adjustment to Ending Fund Balance is recommended in this report.</p>				
Ending Fund Balance Adjustment (TOT Revenue Reconciliation)	City Manager - Office of Economic Development		\$476,467	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				

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## Transient Occupancy Tax Fund (461)

**Special Funds Recommended Budget Adjustments Summary  
2018-2019 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		\$185,530	
<p>This action increases the Transfer to the General Fund - Late Fees by \$185,530, from \$300,000 to \$485,530, to reflect higher than anticipated Late Fee revenue received in 2018-2019. 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 recommend in this report to offset this action.</p>				
Ending Fund Balance Adjustment	Environmental Services Department		(\$185,530)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended elsewhere in this report.</p>				

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**Water Utility Fund (515)**

# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
<p>Youth Workers/Revenue from the Federal Government</p> <p>This action decreases the Youth Workers appropriation and the corresponding estimate for Revenue from the Federal Government by \$294,556 to align with the 2018-2019 and the lower than anticipated 2019-2020 Youth Workers allocation received from the Federal Government. This program provides job training, career coaching, vocational assessment, and other services that prepare youth ranging from 18 through 24 years of age to secure employment.</p>	City Manager - Office of Economic Development		(\$294,556)	(\$294,556)
<p>Adult Workers/Revenue from the Federal Government</p> <p>This action decreases the Adult Workers appropriation and the corresponding estimate for Revenue from the Federal Government by \$554,239 to align with the 2018-2019 and lower than anticipated 2019-2020 Adult Workers allocation received from the Federal Government. This program provides job training, occupational courses, work readiness certification, and other services that prepare unemployed adult workers to successfully enter the workforce.</p>	City Manager - Office of Economic Development		(\$554,239)	(\$554,239)
<p>Dislocated Workers/Revenue from the Federal Government</p> <p>This action increases the Dislocated Workers appropriation and the corresponding estimate for Revenue from the Federal Government by \$390,256 to align with the 2018-2019 and 2019-2020 Dislocated Workers allocation received from the Federal Government. 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.</p>	City Manager - Office of Economic Development		\$390,256	\$390,256
<p>Administration/Revenue from the Federal Government</p> <p>This action decreases the Administration appropriation and the corresponding estimate for Revenue from the Federal Government by \$145,671 to align with the 2018-2019 and lower than anticipated 2019-2020 Administration allocation received from the Federal Government.</p>	City Manager - Office of Economic Development		(\$145,671)	(\$145,671)



# Special Funds Recommended Budget Adjustments Summary 2018-2019 Annual Report

## Workforce Development Fund (290)

<u>Action</u>	<u>Department</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
Rapid Response Grant/Revenue from the Federal Government  This action increases the Rapid Response Grant appropriation and the corresponding estimate for Revenue from the Federal Government by \$92,660 to align with the 2018-2019 and 2019-2020 Rapid Response Grant allocation received from the Federal Government. This program provides job training services to businesses and workers impacted or at risk of being impacted like company closures or layoffs.	City Manager - Office of Economic Development		\$92,660	\$92,660
Prison to Employment Implementation Grant/Revenue from Local Agencies  This action decreases the Prison to Employment Grant appropriation and the corresponding estimate for Revenue from the State through Local Agencies by \$34,830 to align with the 2018-2019 and lower than anticipated 2019-2020 Prison to Employment Grant allocation received for this project. This program serves formerly incarcerated and other justice involved individuals.	City Manager - Office of Economic Development		(\$34,830)	(\$34,830)
Cities for Financial Empowerment/Other Revenue  This action establishes the Cities for Financial Empowerment appropriation in the amount of \$20,000 to align with the allocation anticipated to be received from the Cities for Financial Empowerment Fund. This program provides guidance to youth to encourage healthy financial habits and facilitate the use of direct deposit.	City Manager - Office of Economic Development		\$20,000	\$20,000
<b>Workforce Development Fund (290)</b>			<b>(\$526,380)</b>	<b>(\$526,380)</b>