

General Fund Capital, Transfers, Reserves

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To provide necessary funding for: (1) capital projects not funded by a dedicated funding source, (2) transfers to other funds, (3) reserves earmarked for known future needs, and (4) a reserve for unforeseen contingencies

City Service Areas

Community and Economic Development
Environmental and Utility Services
Neighborhood Services
Public Safety
Transportation and Aviation Services
Strategic Support

Expense Type

Capital Contributions

Transfers to Other Funds

Earmarked Reserves

Contingency Reserve

General Fund Capital, Transfers, Reserves

Budget Summary

	2016-2017 Actuals <u>1</u>	2017-2018 Adopted <u>2</u>	2018-2019 Forecast <u>3</u>	2018-2019 Proposed <u>4</u>	% Change <u>(2 to 4)</u>
Dollars by Expense Type					
Capital Contributions	23,554,844	\$41,738,854	\$5,330,000	\$9,155,000	(78.1%)
Transfers to Other Funds	28,028,710	\$32,444,830	\$35,136,064	\$38,136,064	17.5%
Earmarked Reserves	N/A	\$99,133,978	\$13,810,774	\$35,341,774	(64.3%)
Contingency Reserve	N/A	\$36,000,000	\$36,500,000	\$36,500,000	1.4%
Total	\$51,583,554	\$209,317,662	\$90,776,838	\$119,132,838	(43.1%)
Dollars by Category					
Capital, Transfers, Reserves	\$51,583,554	\$209,317,662	\$90,776,838	\$119,132,838	(43.1%)
Total	\$51,583,554	\$209,317,662	\$90,776,838	\$119,132,838	(43.1%)
Dollars by Fund					
General Fund	\$51,583,554	\$209,317,662	\$90,776,838	\$119,132,838	(43.1%)
Total	\$51,583,554	\$209,317,662	\$90,776,838	\$119,132,838	(43.1%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
Prior Year Budget (2017-2018):	0.00	209,317,662
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions Rebudget: Animal Care and Services - Various Improvements		(250,000)
• Capital Contributions Rebudget: Animal Care and Services Waterproofing		(250,000)
• Capital Contributions Rebudget: Arc Flash Hazard Analysis		(450,000)
• Capital Contributions Rebudget: Arena Repairs		(240,000)
• Capital Contributions Rebudget: Children's Discovery Museum Skylight Replacement		(20,000)
• Capital Contributions Rebudget: City Hall and Employee Garage Security Upgrades		(321,000)
• Capital Contributions Rebudget: City Hall and Police Communications Uninterrupted Power Supply Capital Maintenance		(200,000)
• Capital Contributions Rebudget: City Hall Audio/Visual Upgrade		(242,000)
• Capital Contributions Rebudget: City Hall HVAC Control System Replacement		(4,890,000)
• Capital Contributions Rebudget: City Hall Rotunda Lighting		(330,000)
• Capital Contributions Rebudget: City Hall Waterproofing		(990,000)
• Capital Contributions Rebudget: City-Wide Building Assessment		(53,000)
• Capital Contributions Rebudget: East Side Union High School District Community Wireless Network Project		(800,000)
• Capital Contributions Rebudget: Emergency Vehicle Preemption Service		(850,000)
• Capital Contributions Rebudget: Family-Friendly City Facilities		(40,000)
• Capital Contributions Rebudget: Fire Apparatus Replacement		(8,970,000)
• Capital Contributions Rebudget: Hammer Theatre Center Upgrades		(130,000)
• Capital Contributions Rebudget: Hammer Theatre Miscellaneous HVAC and Electrical Upgrades		(194,000)
• Capital Contributions Rebudget: History San José - Fallon House Elevator and Ramp Replacement		(92,000)
• Capital Contributions Rebudget: History San José - Pacific Hotel - Fire and Intrusion Alarm		(160,000)
• Capital Contributions Rebudget: LED Streetlights - Sebastian Borello Drive		(160,000)
• Capital Contributions Rebudget: Police Administration Building Backup Generator Replacement		(41,000)
• Capital Contributions Rebudget: Police Administration Building Fencing - Employee Parking Lot Perimeter		(220,000)
• Capital Contributions Rebudget: Police Administration Building Roof Replacment		(250,000)
• Capital Contributions Rebudget: Police Administration Building/Police Communications Center Chiller Replacements		(200,000)
• Capital Contributions Rebudget: Police Communications Center Electrical System Upgrade		(340,000)
• Capital Contributions Rebudget: Police Communications Center Elevator Retrofit		(595,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions Rebudget: Police Communications Center Redundant Power Circuitry System Design		(62,000)
• Capital Contributions Rebudget: Police Communications Center Emergency Uninterrupted Power Supply		(3,200,000)
• Capital Contributions Rebudget: Police Communications Fire Protection System Upgrade		(1,860,000)
• Capital Contributions Rebudget: Police Department Operation Center		(45,000)
• Capital Contributions Rebudget: Police Fleet Management System		(400,000)
• Capital Contributions Rebudget: San José Municipal Stadium Improvements		(90,000)
• Capital Contributions Rebudget: San José Museum of Art - Minor Renovations		(32,000)
• Capital Contributions Rebudget: San José Museum of Art Roof Replacement		(150,000)
• Capital Contributions Rebudget: San José Stage Company		(1,000,000)
• Capital Contributions Rebudget: Shirakawa Community Center Tenant Improvements		(46,000)
• Capital Contributions Rebudget: Silicon Valley Regional Communications System Infrastructure Payment		(2,495,854)
• Capital Contributions Rebudget: South San José Police Substation		(51,000)
• Capital Contributions Rebudget: Super Bowl 50 - San José Museum of Art Sign Replacement		(120,000)
• Capital Contributions Rebudget: The Tech Museum Controls Module Improvements		(220,000)
• Capital Contributions Rebudget: Unanticipated/Emergency Maintenance		(140,000)
• Capital Contributions Rebudget: Vietnamese-American Community Center Planning and Fundraising		(230,000)
• Capital Contributions: African American Community Center Storm Line and HVAC System Repairs and Replacements		(350,000)
• Capital Contributions: Animal Care and Services Washer/Dryer Replacement		(144,000)
• Capital Contributions: Camera 3 Theatre		(500,000)
• Capital Contributions: Children's Discovery Museum - Bill's Backyard		(400,000)
• Capital Contributions: Children's Discovery Museum Carpet Replacement		(50,000)
• Capital Contributions: City Hall Audio/Visual Upgrade		(375,000)
• Capital Contributions: City Hall Network Operations Center Switch Board Replacement		(500,000)
• Capital Contributions: Downtown Ice Rink Improvements		(100,000)
• Capital Contributions: Hammer Theatre Carpet Replacement		(125,000)
• Capital Contributions: Hammer Theatre Exterior Stucco Repairs		(100,000)
• Capital Contributions: Hammer Theatre HVAC Controls		(250,000)
• Capital Contributions: History San José - Indoor Programming		(25,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Capital Contributions: History San José - Pacific Hotel Restrooms Remodel		(250,000)
• Capital Contributions: Mexican Heritage Plaza HVAC Components Upgrades		(400,000)
• Capital Contributions: Pavement Maintenance Program		(1,000,000)
• Capital Contributions: Police Administration Building Chiller and Boiler Replacement		(400,000)
• Capital Contributions: San José Municipal Stadium Light Pole Refurbishing and Repairing		(50,000)
• Capital Contributions: San José Museum of Art HVAC Controls Upgrades		(100,000)
• Capital Contributions: San José Museum of Art Restrooms Remodel		(100,000)
• Capital Contributions: The Tech Museum Tile Wall Evaluation and Repair		(100,000)
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund/SVRCS Dispatch Consoles		(1,900,000)
• Transfers to Other Funds: Fire Construction and Conveyance Tax Fund/ Fire Station 37		(960,000)
• Earmarked Reserves Rebudget: Artificial Turf Replacement Reserve		(1,225,000)
• Earmarked Reserves Rebudget: Budget Stabilization Reserve		(16,300,000)
• Earmarked Reserves Rebudget: Building Development Fee Program Reserve		(13,158,422)
• Earmarked Reserves Rebudget: Creative Center for the Arts Parking Reserve		(750,000)
• Earmarked Reserves Rebudget: Cultural Facilities Maintenance Reserve		(3,409,000)
• Earmarked Reserves Rebudget: Development Fee Program Technology Reserve		(1,093,000)
• Earmarked Reserves Rebudget: Fire Development Fee Program Reserve		(7,201,733)
• Earmarked Reserves Rebudget: Fiscal Reform Plan Implementation Reserve		(71,000)
• Earmarked Reserves Rebudget: General Plan Update Reserve		(575,488)
• Earmarked Reserves Rebudget: Japantown Neighborhood Parking Pilot Program Reserve		(250,000)
• Earmarked Reserves Rebudget: Planning Development Fee Program Reserve		(575,307)
• Earmarked Reserves Rebudget: Police Property Facility Relocation Reserve		(500,000)
• Earmarked Reserves Rebudget: Problem Gambling Reserve		(75,000)
• Earmarked Reserves Rebudget: Public Works Development Fee Program Reserve		(4,227,620)
• Earmarked Reserves Rebudget: Retiree Healthcare Solutions Reserve		(6,070,000)
• Earmarked Reserves Rebudget: Salaries and Benefits Reserve		(5,000,000)

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
• Earmarked Reserves Rebudget: San José Environmental Sustainability Program Reserve		(600,000)
• Earmarked Reserves Rebudget: Workers' Compensation/General Liability Catastrophic Reserve		(15,000,000)
• Earmarked Reserves: 2018-2019 Cinequest Film and Virtual Reality Festival Reserve		(50,000)
• Earmarked Reserves: 2018-2019 Future Deficit Reserve		(9,150,000)
• Earmarked Reserves: Air Service Incentive Program Reserve		(1,150,000)
• Earmarked Reserves: Building Development Fee Program Reserve		(4,936,110)
• Earmarked Reserves: Fire Development Fee Program Reserve		(1,020,788)
• Earmarked Reserves: Planning Development Fee Program Reserve		(823,112)
• Earmarked Reserves: Public Works Development Fee Program Reserve		(1,006,178)
One-Time Prior Year Expenditures Subtotal:	0.00	(133,816,612)
Technical Adjustments to Costs of Ongoing Activities		
• Capital Contributions: Fire Apparatus Replacement		350,000
• Capital Contributions: Fuel Tank Monitoring		(20,000)
• Transfers to Other Funds: Airport Maintenance and Operations Fund (Jet Fuel Sales Tax)		400,000
• Transfers to Other Funds: Business Improvement District Fund		683
• Transfers to Other Funds: City Hall Debt Service Fund		1,846,551
• Transfers to Other Funds: Communications Construction and Conveyance Tax Fund		400,000
• Transfers to Other Funds: Community Facilities Revenue Fund (Hayes Mansion)		1,400,000
• Transfers to Other Funds: Downtown Property and Business Improvement District Fund		47,000
• Transfers to Other Funds: Municipal Golf Course Fund		(93,000)
• Transfers to Other Funds: San José Arena Capital Reserve Fund		1,550,000
• Earmarked Reserves: Artificial Turf Capital Replacement Reserve		(145,000)
• Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve		800,000
• Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve		597,000
• Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve		22,000
• Earmarked Reserves: Salaries and Benefits Reserve adjustment		7,620,554
• Contingency Reserve		500,000
Technical Adjustments Subtotal:	0.00	15,275,788
2018-2019 Forecast Base Budget:	0.00	90,776,838

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
Budget Proposals Recommended		
Capital Contributions		
1. Capital Contributions: African American Community Services Agency Upgrades		250,000
2. Capital Contributions: Children's Discovery Museum - Air Handler Unit Replacement		500,000
3. Capital Contributions: City Hall Network Operations Center - Electrical Switch Replacement		1,500,000
4. Capital Contributions: Hammer Theatre Center Carpet Replacement		125,000
5. Capital Contributions: Hammer Theatre Center HVAC Controls		250,000
6. Capital Contributions: History San José - Automatic Parking Lot Gate		50,000
7. Capital Contributions: Mexican Heritage Plaza Concrete Repair		50,000
8. Capital Contributions: Miscellaneous Cultural Facility Repairs		200,000
9. Capital Contributions: Police Communications Center Elevator Retrofit Restrooms Remodel		600,000
10. Capital Contributions: San José Museum of Art HVAC Controls Upgrades		300,000
Capital Contributions Subtotal:	0.00	3,825,000
Transfers to Other Funds		
1. Transfers to Other Funds: Self-Insured Medical Fund		3,000,000
Transfers to Other Funds Subtotal:	0.00	3,000,000

General Fund Capital, Transfers, Reserves

Budget Reconciliation

(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	General Fund (\$)
<hr/> Budget Proposals Recommended <hr/>		
Earmarked Reserves		
1. Earmarked Reserves: 2019-2020 Future Deficit Reserve		15,500,000
2. Earmarked Reserves: City Health Plan Restructuring Reserve		3,000,000
3. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(450,000)
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)
5. Earmarked Reserves: Essential Services Reserve		2,500,000
6. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(597,000)
7. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(22,000)
8. Earmarked Reserves: Office of Innovation Staffing Reserve		200,000
9. Earmarked Reserves: Salaries and Benefits Reserve		2,200,000
Earmarked Reserves Subtotal:	0.00	21,531,000
Total Budget Proposals Recommended	0.00	28,356,000
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2018-2019 Proposed Budget Total	0.00	119,132,838
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General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
1. Capital Contributions: African American Community Services Agency Upgrades		250,000
<i>Neighborhood Services CSA</i>		
<p>As directed in the Mayor's March Budget Message for Fiscal Year 2018-2019, this project provides funding of \$250,000 for capital infrastructure improvements to the African American Community Services Agency (AACSA). As the Agency prepares to expand the programs offered to our community by beginning the process of becoming a First 5 Center and a Homeless Services and Meals Center, funding investments are needed to ensure that the building is up to code. This project should have appeared in the 2018-2019 Proposed Capital Budget and 2019-2023 Proposed Capital Improvement Program (CIP) and will be included as part of the production of the Adopted CIP. (Ongoing costs: \$0)</p>		
2. Capital Contributions: Children's Discovery Museum – Air Handler Unit Replacement		500,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$500,000 for the replacement of three air handler units on the roof of the Children's Discovery Museum. The existing units are over 25 years old and are currently failing. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
3. Capital Contributions: City Hall Network Operations Center – Electrical Switch Replacement		1,500,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$1.5 million to partially fund the City Hall Network Operations Center (NOC) – Electrical Switch Replacement project. An initial allocation as part of the 2017-2018 Adopted Budget of \$500,000 provided funding for the initial scoping and design. The estimated cost for the replacement is an additional \$4.5 million. However, due to fiscal constraints at this time, this allocation of \$1.5 million helps build the resources necessary for the full project replacement. Specifically, the \$1.5 million addition will fund the preliminary infrastructure and labor needed to reconfigure the NOC and modify the existing system to accommodate a new uninterrupted power supply (UPS). Any maintenance to the sole UPS system would take it offline, leaving the 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, the breaker has not been maintained since City Hall opened in 2006. The final phase of the project, which is estimated to cost approximately \$3.0 million, includes the procurement and installation of equipment to transition the existing system to the UPS. Funding for this final phase will be considered during a future budget development process. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
4. Capital Contributions: Hammer Theatre Center Carpet Replacement		125,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$125,000 to complete Phase 2 of the Hammer Theatre Center Carpet Replacement Project. Phase 1 of the project replaced the carpet in the lobby and the house orchestra at the Hammer Theatre Centre at a cost of \$125,000 and was funded in 2017-2018. Phase 2 will replace the carpet that is located under the seats and in the aisles. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
5. Capital Contributions: Hammer Theatre Center HVAC Controls		250,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$250,000 to complete Phase 2 of the Hammer Theatre Center HVAC Controls upgrade. The current system is over 20 years old and is failing. Hardware/software components are obsolete, at the end of its life cycle, and do not fully integrate with new HVAC technology or desired energy principles, which is causing high energy costs. Phase I of the project was funded in 2017-2018 at a cost of \$250,000. Phase 2 will provide the funding for the new equipment to be installed. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
6. Capital Contributions: History San José – Automatic Parking Lot Gate		50,000
<i>Strategic Support CSA</i>		
<p>This project provides funding of \$50,000 for the installation of an automatic access control gate at the parking lot of History San José. This funding helps ensure parking lot security for City staff and volunteers at the History San José Museum. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
7. Capital Contributions: Mexican Heritage Plaza Concrete Repair		50,000
<i>Strategic Support CSA</i>		
This project provides funding of \$50,000 for the removal and replacement of concrete at the Mexican Heritage Plaza. This project improves safety for visitors and City staff at the Mexican Heritage Plaza as the concrete is currently cracking. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)		
8. Capital Contributions: Miscellaneous Cultural Facility Repairs		200,000
<i>Strategic Support CSA</i>		
This project provides funding of \$200,000 for miscellaneous repairs at the City's Cultural Facilities. Repairs will address emergency equipment failures related to electronics, HVAC, and plumbing. This funding enhances safety for City staff and visitors by helping prevent emergency equipment failures at the City's Cultural Facilities. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)		
9. Capital Contributions: Police Communications Center Elevator Retrofit		600,000
<i>Strategic Support CSA</i>		
This project provides additional funding of \$600,000 to replace two elevator controllers at the Police Communications Center, which are approximately 25 years old. The elevator controls include the mechanical, electrical, and electronic functions of an elevator. This equipment is beyond its serviceable life, the equipment fails frequently, and replacement parts are no longer available. Funding in the amount of \$595,000 was provided in 2016-2017 for this project. This additional funding is necessary to address enhanced fire code requirements that were not assumed in the original project. (Ongoing costs: \$0)		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Capital Contributions		
10. Capital Contributions: San José Museum of Art HVAC Controls Upgrades		300,000
<i>Strategic Support CSA</i>		
<p>This project provides additional funding of \$300,00 to replace the HVAC Building Management System (BMS) at the San José Museum of Art. The current BMS is over 2k5 years old and hardware/software components are obsolete, at the end of its life cycle, and do not fully integrate with new HVAC technology or desired energy principles. Replacement of the BMS will improve energy efficiency for the building. Funding in the amount of \$100,000 was provided in 2017-2018 that covers HVAC renovations in the IT room. Additional funding of \$300,000 will address HVAC upgrades throughout the rest of the facility. This project is supported by existing funds in the Cultural Facilities Capital Maintenance Reserve from 2017-2018 that was set aside for cultural and arts facilities capital replacement maintenance, per City Council direction. (Ongoing costs: \$0)</p>		
Subtotal Capital Contributions:	0.00	3,825,000
Transfers to Other Funds		
1. Transfers to Other Funds: Self-Insured Medical Fund		3,000,000
<i>Strategic Support CSA</i>		
<p>This action establishes a one-time transfer to the Self-Insured Medical Fund in the amount of \$3.0 million to address a projected negative fund balance in fiscal year 2018-2019. With 14.4% total open enrollment loss effective in January 2018 and an increase in total projected claims costs, the combined impact is currently forecasted to result in an Ending Fund Balance of negative \$3.0 million in 2018-2019. Though this figure may be revised with the receipt of additional claims payment information, given the negative status of this fund, the Administration is evaluating several potential actions, all of which would require stakeholder involvement to assess cost, timeliness, impact to employees and retirees, and any associated risk. It is anticipated that this funding will be necessary in 2018-2019 while the Administration considers potential alternatives to this fund. (Ongoing costs: \$0)</p>		
Subtotal Transfers to Other Funds:	0.00	3,000,000

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
1. Earmarked Reserves: 2019-2020 Future Deficit Reserve		15,500,000
<i>Strategic Support CSA</i>		
As directed in the Mayor's March Budget Message for Fiscal Year 2018-2019, this action establishes a 2019-2020 Future Deficit Reserve in the amount of \$15.5 million to fully address the anticipated 2019-2020 General Fund shortfall on a one-time basis as projected in the 2019-2023 General Fund Forecast that was issued in February 2018. (Ongoing costs: \$0)		
2. Earmarked Reserves: City Health Plan Restructuring Reserve		3,000,000
<i>Strategic Support CSA</i>		
This action establishes a City Health Plan Restructuring Reserve in the amount of \$3.0 million in anticipation of a long-term strategy to create more diverse medical plan choices, attract more providers, and increase flexibility for plan offerings. A more diverse health plan offering for employees aims to attract and retain talent for the City in long-term. This figure may be revised with additional information in the future as the Administration continues to evaluate options. (Ongoing costs: \$0)		
3. Earmarked Reserves: Cultural Facilities Capital Maintenance Reserve		(450,000)
<i>Strategic Support CSA</i>		
This action liquidates the 2018-2019 Cultural Facilities Capital Maintenance Reserve of \$450,000 that was set aside as part of the 2019-2023 General Fund Forecast to fund capital improvements at various cultural facilities in the City of San José. In addition, the use of \$1,025,000 of the existing Cultural Facilities Capital Maintenance Reserve from 2017-2018 is recommended to fund capital improvements, bringing the total amount of the reserve used to \$1,475,000. After actions anticipated later in the budget process to carry-over the existing reserve balance into 2018-2019, the amount of funding in the reserve will be \$3.4 million. (Ongoing savings: \$0)		
4. Earmarked Reserves: Deferred Infrastructure and Maintenance Reserve Elimination		(800,000)
<i>Strategic Support CSA</i>		
This action liquidates the Deferred Infrastructure and Maintenance Reserve that was set aside as part of the 2019-2023 General Fund Forecast to be allocated to deferred maintenance and technology projects included as part of the 2018-2019 Proposed Budget. (Ongoing savings: \$0)		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
5. Earmarked Reserves: Essential Services Reserve		2,500,000
<i>Strategic Support CSA</i>		
As directed in the Mayor's March Budget Message for Fiscal Year 2018-2019, this action establishes an Essential Services Reserve in the amount of \$2.5 million that may be used for the purpose of supporting services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds. (Ongoing costs: \$0)		
6. Earmarked Reserves: New Parks and Recreation Facilities Maintenance and Operations Reserve Elimination		(597,000)
<i>Neighborhood Services CSA</i>		
This action liquidates the Earmarked Reserve that was established in the 2019-2023 General Fund Forecast for projected operations and maintenance expenses of \$597,000 related to new parks and recreation facilities that are scheduled to become operational in 2018-2019. These facilities include Arcadia Sports Complex, Alum Rock Avenue and 31 st Street Park Phase I, Branham Park Courts, Cannery Park, Council District 6 Land Acquisition, Communications Hill II – Turnkey Park, Japantown Square Turnkey Park, Midfield Avenue Park, San Pedro Square Urban Park, St. James Park Interim Improvements, and Tamien Park Phase II. These funds are allocated for operations and maintenance expenses in the Parks, Recreation and Neighborhood Services Department section of this document. (Ongoing savings: \$1,023,000)		
7. Earmarked Reserves: New Traffic Infrastructure Assets Maintenance and Operations Reserve Elimination		(22,000)
<i>Transportation and Aviation Services CSA</i>		
This action liquidates the Earmarked Reserve that was established in the 2019-2023 General Fund Forecast for projected operations and maintenance expenses of \$22,000 related to the 2018 Bikeways Program improvements that are scheduled to become operational in 2018-2019 and were included in the Five-Year Capital Improvement Program. These funds are allocated for operations and maintenance expenses in the Transportation Department section of this document. (Ongoing savings: \$45,000)		

General Fund Capital, Transfers, Reserves

Budget Changes By Expense Type

2018-2019 Proposed Budget Changes	Positions	General Fund (\$)
Earmarked Reserves		
8. Earmarked Reserves: Office of Innovation Staffing Reserve		200,000
<i>Strategic Support CSA</i>		
<p>In alignment with the Mayor’s March Budget Message for Fiscal Year 2018-2019, this action sets aside the second year of funding for a Chief Data Officer in the Office of Civic Innovation. This position, funded through June 30, 2020, will provide strategic expertise and project management capacity as the City continues to build tools that better leverage internal and external data resources to improve public service delivery in alignment with the City’s Smart City Vision. Near-term focus will be on engaging community stakeholders on data privacy, as well as, on leveraging data to support City goals in the areas of housing, public safety, and transit. This action sets aside funding of \$200,000 in an earmarked reserve for the position in 2019-2020. The related action establishing funding in 2018-2019 can be found in the Office of the City Manager’s department section located elsewhere in this document. (Ongoing costs: \$0)</p>		
9. Earmarked Reserves: Salaries and Benefits Reserve		2,200,000
<i>Strategic Support CSA</i>		
<p>This action adds one-time funding of \$2.2 million to the Salaries and Benefits Reserve to address potential issues related to overtime calculation under the Fair Labor Standards Act (FLSA). The Administration is still evaluating issues related to FLSA. (Ongoing costs: \$0)</p>		
Subtotal Earmarked Reserves:	0.00	21,531,000
2018-2019 Proposed Budget Changes Total	0.00	28,356,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Neighborhood Services CSA				
Parks & Community Facilities Dev. Capital Program				
African American Community Services Agency Upgrades	0	0	0	250,000
Alviso Park Improvements	649	0	0	0
Animal Care and Services Fire Alarm and Security Upgrade	298,930	0	0	0
Children's Discovery Museum Fencing	223,650	0	0	0
Kelley House Demolition	19,311	0	0	0
Plaza de Cesar Chavez Stage Canopy	66,706	0	0	0
Shirakawa Community Center Tenant Improvements	0	46,000	0	0
Vietnamese-American Community Center Planning and Fundraising	17,500	230,000	0	0
Total Parks & Community Fac. Dev. Capital Pgm.	\$626,746	\$276,000	\$0	\$250,000
Total Neighborhood Services CSA	\$626,746	\$276,000	\$0	\$250,000
Public Safety CSA				
Public Safety Capital Program				
Emergency Vehicle Preemption Service	45,000	850,000	0	0
Fire Apparatus Replacement	3,642,934	12,370,000	3,750,000	3,750,000
Fire Facilities Remediation	53,057	0	0	0
South San José Police Substation	178,181	51,000	0	0
Total Public Safety Capital Program	\$3,919,172	\$13,271,000	\$3,750,000	\$3,750,000
Total Public Safety CSA	\$3,919,172	\$13,271,000	\$3,750,000	\$3,750,000
Transportation & Aviation Services CSA				
Traffic Capital Program				
LED Streetlight Conversion	49,504	0	0	0
LED Streetlights - Sebastian Borello Drive	8,300	160,000	0	0
Pavement Maintenance Program	11,131,045	1,000,000	0	0
Total Traffic Capital Program	\$11,188,849	\$1,160,000	\$0	\$0
Total Transportation & Aviation Services CSA	\$11,188,849	\$1,160,000	\$0	\$0
Strategic Support CSA				
Municipal Improvements Capital Program				
African American Community Services Center	0	350,000	0	0
Animal Care and Services - Various Improvements	61,603	250,000	0	0
Animal Care and Services Fire Alarm and Security Upgrade	6,890	0	0	0
Animal Care and Services Washer / Dryer Replacement	0	144,000	0	0
Animal Care and Services Waterproofing	237,406	250,000	0	0
Arc Flash Hazard Analysis	126,679	450,000	0	0
Arena Repairs	56,071	340,000	100,000	100,000
Camera 3 Theatre	0	500,000	0	0
Children's Discovery Museum - Bill's Backyard	0	400,000	0	0
Children's Discovery Museum Air Handler Unit Replacement	0	0	0	500,000
Children's Discovery Museum Carpet Replacement	0	50,000	0	0
Children's Discovery Museum Portico Reroof	63,486	0	0	0
Children's Discovery Museum Skylight Replacement	0	20,000	0	0
City Hall 18th Floor Improvements	22,827	0	0	0

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
City Hall and Employee Garage Security Upgrades	324,998	321,000	0	0
City Hall and Police Communications Uninterrupted Power Supply Cap. Maint.	274,113	400,000	200,000	200,000
City Hall Audio/Visual Upgrade	110,077	617,000	0	0
City Hall Chiller Media Replacement	141,000	0	0	0
City Hall HVAC Control System Replacement	92,782	4,890,000	0	0
City Hall Network Operations Center - Electrical Switch Replacement	0	500,000	0	1,500,000
City Hall Rotunda Lighting	206,937	330,000	0	0
City Hall Waterproofing	185,145	990,000	0	0
City-wide Building Assessment	147,483	53,000	0	0
Closed Landfill Compliance	214,474	350,000	350,000	350,000
Downtown Ice Rink Improvements	0	100,000	0	0
East Side Union High School District Community Wireless Network Project	520,475	800,000	0	0
Family-Friendly City Facilities	71,336	40,000	0	0
Fuel Tank Monitoring	47,179	50,000	30,000	30,000
Hammer Theatre Center Carpet Replacement	0	125,000	0	125,000
Hammer Theatre Center Exterior Stucco Repairs	0	100,000	0	0
Hammer Theatre Center HVAC Controls	0	250,000	0	250,000
Hammer Theatre Center Upgrades	69,678	130,000	0	0
Hammer Theatre Miscellaneous HVAC & Electrical Upgrades	5,984	194,000	0	0
History Park Safety and Security	24,000	0	0	0
History San José - Automatic Parking Lot Gate	0	0	0	50,000
History San José - Fallon House Elevator & Ramp Replacement	11,818	92,000	0	0
History San José - Minor Renovations	980	0	0	0
History San José - Pacific Hotel - Fire and Intrusion Alarm	148,927	160,000	0	0
History San José - Pacific Hotel - Restrooms Remodel	0	250,000	0	0
History San José Indoor Programming	0	25,000	0	0
LED Streetlights - Sebastian Borello Drive	41,420	0	0	0
Mexican Heritage Plaza Building Management System Upgrade	299,703	0	0	0
Mexican Heritage Plaza Concrete Repair	0	0	0	50,000
Mexican Heritage Plaza HVAC System Components Upgrades	0	400,000	0	0
Mexican Heritage Plaza Roof Repairs	24,432	0	0	0
Miscellaneous Cultural Facility Repair	0	0	0	200,000
Municipal Garage LED Lighting Upgrade	84,995	0	0	0
Pavement Maintenance Program	258,638	0	0	0
Permit Center Breakroom and Restrooms	455,192	0	0	0
Police Admin. Building/Police Communications Center Chiller Replacements	66,050	200,000	0	0
Police Administration Building Backup Generator Replacement	0	41,000	0	0
Police Administration Building Boiler and Chiller Replacement	0	400,000	0	0
Police Administration Building Fencing - Employee Parking Lot Perimeter	10,207	220,000	0	0
Police Administration Building Roof Replacement	97,619	250,000	0	0
Police Administration Building Security Upgrades	14,489	0	0	0
Police Communications Center Electrical System Upgrade	67,086	340,000	0	0
Police Communications Center Elevator Retrofit	0	595,000	0	600,000

General Fund Capital, Transfers, Reserves

Expense Type: Capital Contributions

Detail of Costs Description

Capital Contributions	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Police Communications Center Parking Deck and Ramp Restoration	294,345	0	0	0
Police Communications Center Redundant Power Circuitry System Design	2,132	62,000	0	0
Police Communications Emergency Uninterrupted Power Supply	154,815	3,200,000	0	0
Police Communications Fire Protection System Upgrade	517,557	1,860,000	0	0
Police Department Operation Center	30,005	45,000	0	0
Police Fleet Management System	75,968	400,000	0	0
San José Municipal Stadium Improvements	242,710	90,000	0	0
San José Municipal Stadium Light Pole Refurbishing and Repainting	0	50,000	0	0
San José Museum of Art - Minor Renovations	17,460	32,000	0	0
San José Museum of Art HVAC Controls Upgrades	0	100,000	0	300,000
San José Museum of Art Restrooms Remodel	0	100,000	0	0
San José Museum of Art Roof Replacement	23,664	150,000	0	0
San José Stage Company	0	1,000,000	0	0
Silicon Valley Regional Communications System - Infrastructure Payment	0	2,495,854	0	0
Super Bowl 50 - San José Museum of Art Sign Replacement	11,879	120,000	0	0
The Tech Museum - Minor Renovations	55,000	0	0	0
The Tech Museum Controls Module Improvements	26,588	220,000	0	0
The Tech Museum Cooling Tower Replacement - Design	25,467	0	0	0
The Tech Museum Terrazzo Floor Replacement	149,825	0	0	0
The Tech Museum Tile Wall Evaluation and Repairs	0	100,000	0	0
Unanticipated/Emergency Maintenance	880,921	1,040,000	900,000	900,000
United States Patent and Trademark Office - Tenant Improvements Project	180,995	0	0	0
Total Municipal Improvements Capital Program	\$7,252,532	\$27,031,854	\$1,580,000	\$5,155,000
Total Strategic Support CSA	\$7,252,532	\$27,031,854	\$1,580,000	\$5,155,000
TOTAL CAPITAL CONTRIBUTIONS	\$22,987,299	\$41,738,854	\$5,330,000	\$9,155,000

General Fund Capital, Transfers, Reserves

Expense Type: Transfers to Other Funds

Detail of Costs Description

	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Transfers to Other Funds				
Community and Economic Development CSA				
Transfer to the Business Improvement District Fund	10,000	10,000	10,683	10,683
Transfer to the San José Arena Capital Reserve Fund	750,000	750,000	2,300,000	2,300,000
Total Community and Economic Development CSA	\$760,000	\$760,000	\$2,310,683	\$2,310,683
Neighborhood Services CSA				
Transfer to the Municipal Golf Course Fund	2,200,000	2,793,000	2,700,000	2,700,000
Total Neighborhood Services CSA	\$2,200,000	\$2,793,000	\$2,700,000	\$2,700,000
Public Safety CSA				
Transfer to Fire C&C (Fire Station 37 Reserve)	0	960,000	0	0
Total Public Safety CSA	\$0	\$960,000	\$0	\$0
Transportation and Aviation Services CSA				
Transfer to the Airport Maintenance and Operation Fund	0	0	400,000	400,000
Transfer to the Downtown Property and Business Improvement District Fund	744,007	770,000	817,000	817,000
Transfer to the Maint. District No. 11 (Brokaw - Junction to Old Oakland) Fund	6,354	6,354	6,354	6,354
Transfer to the Maint. District No. 20 (Renaissance - N. First Landscaping) Fund	21,461	21,461	21,461	21,461
Transfer to the Maint. District No. 21 (Gateway Place - Airport Parkway) Fund	8,996	8,996	8,996	8,996
Transfer to the Maint. District No. 22 (Hellyer - Silver Creek Valley) Fund	35,223	35,223	35,223	35,223
Transfer to the Maintenance District No. 15 (Silver Creek Valley) Fund	16,636	16,636	16,636	16,636
Transfer to the Maintenance District No. 19 (River Oaks Area Landscaping) Fund	6,195	6,195	6,195	6,195
Transfer to the Maintenance District No. 2 (Trade Zone Blvd. - Lundy Ave.) Fund	2,408	2,408	2,408	2,408
Transfer to the Maintenance District No. 8 (Zanker - Montague) Fund	2,353	2,353	2,353	2,353
Transfer to the Maintenance District No. 9 (Santa Teresa - Great Oaks) Fund	23,480	23,480	23,480	23,480
Total Transportation and Aviation Services CSA	\$867,113	\$893,106	\$1,340,106	\$1,340,106
Strategic Support CSA				
Transfer to the Self-Insured Medical Fund	0	0	0	3,000,000
Transfer to the Community Facilities Revenue Fund	3,400,000	3,500,000	4,900,000	4,900,000
Transfer to the Construction Excise Tax Fund	750,000	0	0	0
Transfer to the Vehicle Maintenance and Operations Fund	1,000,000	1,200,000	1,200,000	1,200,000
Transfer to the Communications Construction and Conveyance Tax Fund	0	2,500,000	1,000,000	1,000,000
Transfer to the City Hall Debt Service	19,051,597	19,838,724	21,685,275	21,685,275
Total Strategic Support CSA	\$24,201,597	\$27,038,724	\$28,785,275	\$31,785,275
TOTAL TRANSFERS TO OTHER FUNDS	\$28,028,710	\$32,444,830	\$35,136,064	\$38,136,064

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

Earmarked Reserves	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed	Type of Reserve*
Community and Economic Development CSA					
General Plan Update Reserve		815,488	240,000	240,000	B
Development Fee Program Technology Reserve		1,093,000	0	0	B
Building Development Fee Program Reserve		18,094,532	0	0	B
Public Works Development Fee Program Reserve		5,233,798	0	0	B
Fire Development Fee Program Reserve		8,222,521	0	0	B
Planning Development Fee Program Reserve		1,398,419	0	0	B
2018-2019 Cinequest Film and Virtual Reality Festival Reserve		50,000	0	0	C
Total Community and Economic Development CSA	N/A	\$34,907,758	\$240,000	\$240,000	
Environmental and Utility Services CSA					
San Jose Environmental Sustainability Program Reserve		600,000	0	0	C
Total Environmental and Utility Services CSA	N/A	\$600,000	\$0	\$0	
Neighborhood Services CSA					
New Parks and Recreation Facilities O&M Reserve		0	597,000	0	C
Artificial Turf Capital Replacement Reserve		1,760,000	390,000	390,000	C
Problem Gambling Reserve		75,000	0	0	C
Total Neighborhood Services CSA	N/A	\$1,835,000	\$987,000	\$390,000	
Public Safety CSA					
Police Property Facility Relocation Reserve		500,000	0	0	C
Total Public Safety CSA	N/A	\$500,000	\$0	\$0	
Transportation and Aviation Services CSA					
New Traffic Infrastructure Assets O&M Reserve		0	22,000	0	C
Air Service Incentive Program Reserve		1,150,000	0	0	C
Creative Center for the Arts Parking Reserve		750,000	0	0	C
Japantown Neighborhood Parking Pilot Program		250,000	0	0	C
Total Transportation and Aviation Services CSA	N/A	\$2,150,000	\$22,000	\$0	
Strategic Support CSA					
2018-2019 Future Deficit Reserve		9,150,000	0	0	A
2019-2020 Future Deficit Reserve		0	0	15,500,000	A
Budget Stabilization Reserve		16,300,000	0	0	A
Chief Data Officer Staffing Reserve		0	0	200,000	C
City Health Plan Restructuring Reserve		0	0	3,000,000	C
Cultural Facilities Capital Maintenance Reserve		3,859,000	450,000	0	C
Deferred Infrastructure and Maintenance Reserve		0	800,000	0	C
Essential Services Reserve		0	0	2,500,000	C
Fiscal Reform Plan Implementation Reserve		71,000	0	0	C
Retiree Healthcare Solutions Reserve (Use)		6,070,000	0	0	C
Salaries and Benefits Reserve		8,691,220	11,311,774	13,511,774	A,C
Workers Compensation / General Liability		15,000,000	0	0	A
Catastrophic Reserve					
Total Strategic Support CSA		\$59,141,220	\$12,561,774	\$34,711,774	
TOTAL EARMARKED RESERVES	N/A	\$99,133,978	\$13,810,774	\$35,341,774	

General Fund Capital, Transfers, Reserves

Expense Type: Earmarked Reserves

Detail of Costs Description

	2016-2017	2017-2018	2018-2019	2018-2019	Type of
	Actuals	Adopted	Forecast	Proposed	Reserve*

Earmarked Reserves

* Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

B: Restricted Reserve (set aside for a specified purpose from a restricted funding source).

C: Programmatic Reserve (set aside to deliver a particular program/project; many are multi-year projects).

General Fund Capital, Transfers, Reserves

Expense Type: Contingency Reserve

Detail of Costs Description

Contingency Reserve	2016-2017 Actuals	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed	Type of Reserve*
Strategic Support CSA					
Contingency Reserve		36,000,000	36,500,000	36,500,000	A
Total Strategic Support CSA	N/A	\$36,000,000	\$36,500,000	\$36,500,000	
TOTAL CONTINGENCY RESERVE	N/A	\$36,000,000	\$36,500,000	\$36,500,000	

* Type of Reserve:

A: Contingency/Safety Net Reserve (set aside to address unanticipated circumstances arising from financial and/or public emergencies, to provide budget stability, and to address particular risks associated with potential claims against the City).

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