



Memorandum

TO: PUBLIC SAFETY, FINANCE, AND
STRATEGIC SUPPORT COMMITTEE

FROM: Margaret McCahan

SUBJECT: BI-MONTHLY FINANCIAL REPORT
FOR JANUARY/FEBRUARY 2019

DATE: April 10, 2019

Approved

Date

4-11-19

RECOMMENDATION

Accept the Bi-Monthly Financial Report on actual revenues and expenditures as compared to the 2018-2019 Budget for the eight months ending February 2019.

OVERVIEW

The Bi-Monthly Financial Report for January/February 2019 was jointly prepared by the City Manager's Budget Office and the Finance Department and is presented for the Public Safety, Finance and Strategic Support Committee's review. The City Manager's Budget Office has analyzed actual expenditures as compared to the 2018-2019 Modified Budget and the Finance Department has prepared a report that reflects the financial results for the eight months ending February 2019.

Through February, revenues and expenditures were generally tracking within the budgeted estimates in the majority of the City funds. The Administration will continue to closely monitor economic conditions and the performance in all City funds, bringing forward budget adjustments, as necessary, to the City Council as part of the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum, which will be released in June 2019. Following are key highlights in this report:

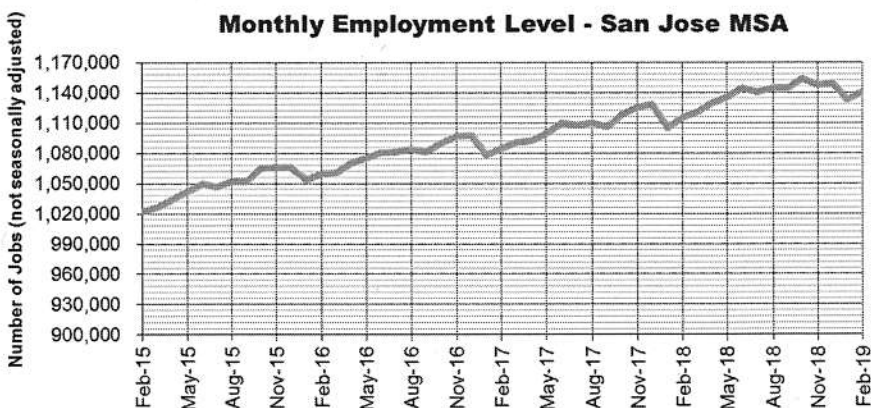
- Overall, General Fund revenues are currently anticipated to exceed the budget by at least \$15 million. As further discussed in this report, this variance is due to several revenue categories performing stronger than anticipated. This additional revenue will be factored into the development of the 2019-2020 Proposed Operating Budget.
- Overall, General Fund departmental and non-departmental expenditures are within budgeted levels through February, however, a few departments are tracking close to or slightly above estimated levels. Expenditures will continue to be controlled and monitored to ensure appropriations stay within approved levels to the extent possible.

OVERVIEW (CONT'D.)

- The Construction and Conveyance Tax, Building and Structure Construction Tax, and Construction Excise Tax receipts are currently tracking above anticipated levels and will likely exceed the budgeted estimates by year-end.
- With the exception of Planning Permits, Development-related revenues in the General Fund through February are anticipated to meet budgeted levels.
- The Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 9.7 million passengers through February, an increase of 11.5% from the figures reported through February of the prior year. This follows extremely strong growth experienced over the last two years. In 2016-2017, annual passenger growth increased by 12.7% (11.1% growth experienced through February of that fiscal year), and annual passenger growth increased by 17.2% in 2017-2018 (17.2% growth experienced through February of that fiscal year).
- In Silicon Valley, general economic conditions remain positive, but some of the economic indicators are starting to moderate from the strong levels experienced in recent years. The Administration will closely monitor the City’s economically sensitive revenues to identify any changes in collection trends as appropriate.
- The Administration will continue to report to the City Council all significant developments through future Bi-Monthly Financial Reports.

Economic Environment

Silicon Valley continues to show positive economic performance. The February 2019 employment level in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (San José MSA) of 1.14 million was approximately 2% above the February 2018 level of 1.12 million.



Between February 2018 and February 2019, employment in the San José MSA expanded by 25,400 jobs. This growth includes an increase of 8,500 jobs in the information sector, 7,400 jobs in the manufacturing sector, 3,900 jobs in the professional and business services industry, and 3,400 jobs in the private educational and health services industry.¹

¹ State of California Employment Development: Labor Market Information Division Press Release, March 22, 2019

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OVERVIEW (CONT'D.)

Unemployment Rate (Unadjusted)			
	Feb 2018	Jan 2019	Feb 2019**
San Jose Metropolitan Statistical Area*	3.0%	3.0%	2.8%
State of California	4.6%	4.8%	4.4%
United States	4.4%	4.4%	4.1%
* San Benito and Santa Clara Counties Source: California Employment Development Department. ** February 2019 estimates are preliminary and may be updated.			

The unemployment rates at the local, State, and national levels have continued to slightly drop compared to the prior year. In February 2019, the unemployment rate for the San José Metropolitan Statistical Area of 2.8% is slightly below the January 2019 unemployment rate and the February 2018 unemployment rate of 3.0%. In this region, the February 2019 unemployment rate continues to be lower than the unadjusted unemployment rate for the State (4.4%) and the nation (4.1%).

Overall construction activity through February 2019 decreased 16.8% from 2017-2018 levels. The 2018-2019 budget was developed with the expectation that private development activity would drop because activity in 2017-2018 was exceptionally high due to new construction and that level of activity was not expected to continue.

Through February, overall residential permit valuation decreased 15.0% from prior year levels (\$400.9 million in 2018-2019 and \$471.9 million in 2017-2018). Residential activity through February included 1,931 multi-family units and 279 single family units for a total of 2,210 units. Notable projects for January and February include a construction permit for a 120-unit apartment on Delmas Avenue (south of West San Carlos Street and west of Highway 87) and a 233-unit apartment building located on Berryessa Road (south of Lundy Avenue).

Commercial valuation of \$351.7 million through February is 20.3% lower than the 2017-2018 level of \$441.3 million. The commercial activity in the month of February was strong (\$71.4 million) with alterations accounting for 44% of the commercial activity (\$31.6 million). Notable projects in January and February include foundation only permits for two eight-story, 189,868 square foot buildings and one four-story, 126,895 square foot building.

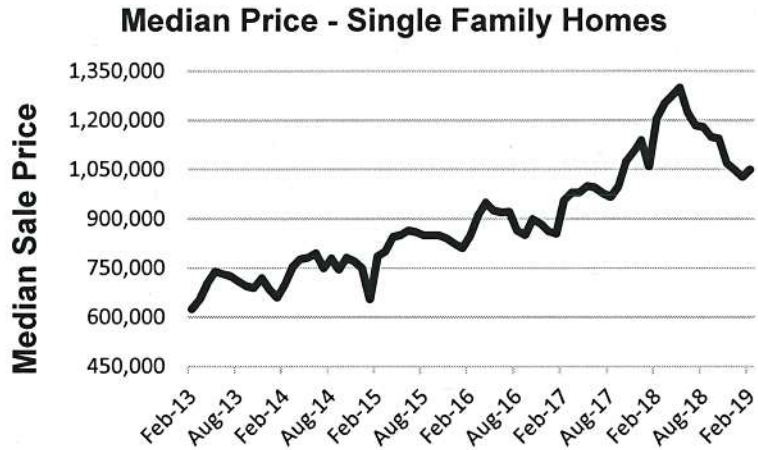
Private Sector Construction Activity (Valuation in \$ Millions)			
	YTD February 2018	YTD February 2019	% Change
Residential	\$ 471.9	\$ 400.9	(15.0%)
Commercial	\$ 441.3	\$ 351.7	(20.3%)
Industrial	\$ 324.6	\$ 279.0	(14.0%)
TOTAL	\$ 1,237.8	\$ 1,031.6	(16.8%)

In addition, industrial construction valuation through February of \$279.0 million was 14.0% lower than the prior year level (\$324.6 million in 2017-2018). Alterations accounted for over half of all industrial activity in February.

OVERVIEW (CONT'D.)

After seven years of year-over-year home price growth, the local real estate market is beginning to slow down. According to data from the Santa Clara County Association of Realtors, the single-family home price peaked at \$1.3 million in May 2018 (which represented a 30.0% increase from the May 2017 home price), but then began steadily decreasing. In addition, year-over-year median prices have steadily decreased each month since November 2018, with drops ranging from 3%-13% compared to the prior year level.

In February 2019, the median single-family home price totaled \$1.05 million, which represents a 12.9% decrease from the February 2018 price of \$1.2 million, but is approximately 10% above the February 2017 price of \$955,000. In addition to the median home prices dropping, the number of property transfers (sales) has also continued to steadily decline. The number of property transfers in February 2019



totaled 370, which represents a 7% drop from the 398 transfers that occurred in February 2018. In addition, the total number of property transfers that occurred year-to-date through the February has dropped almost 10% compared to the prior year. Lastly, while single-family and multi-family dwellings are continuing to sell quickly, they are on the market significantly longer than the prior year. The average days-on-market for single-family and multi-family dwellings in February 2019 totaled 39 days, which is three times longer than the extremely low 13 days experienced in February 2018.

On a national level, consumer confidence increased in February, following a decline in January. Lynn Franco, Senior Director of Economic Indicators at The Conference Board, stated “The Present Situation Index improved, as consumers continue to view both business and labor market conditions favorably. Expectations, which had been negatively impacted in recent months by financial market volatility and the government shutdown, recovered in February. Looking ahead, consumers expect the economy to continue expanding. However, according to The Conference Board’s economic forecasts, the pace of expansion is expected to moderate in 2019.”²

Economic conditions will continue to be closely monitored and will be factored into the assessment of the City’s performance in 2018-2019 as well as the development of the 2019-2020 Proposed Budget, which is scheduled to be released May 1, 2019.

² The Conference Board, Consumer Confidence Survey, February 26, 2019

GENERAL FUND

REVENUES

General Fund revenues through February 2019 totaled \$827.0 million, which represents an increase of \$66.0 million (8.7%) from the February 2018 level of \$761.1 million. This increase is primarily due to higher receipts in several categories, including Other Revenue (\$40.8 million), Sales Tax (\$28.0 million) and Property Tax (\$15.3 million). Other Revenue receipts include revenue related to the sale of properties (\$45.0 million), the largest of which are seven properties that were previously owned by the Successor Agency to the Redevelopment Agency (SARA) and the Coleman Avenue property.

While most revenues are performing stronger than the prior year through February, there are several categories experiencing declines compared to prior year levels, including Revenue from the Federal Government, Revenue from the State of California, and Transfers and Reimbursements revenues. The lower collections in these categories are primarily due to timing of payments and slight declines in the budgeted line items.

Overall, General Fund revenues are estimated to exceed budgeted estimates by \$15 million. The higher revenue collection will be factored into the development of the 2019-2020 Proposed Budget. In the 2020-2024 General Fund Forecast, it was assumed that \$20 million would be available in 2019-2020 from 2018-2019 ending fund balance generated from excess revenues, expenditure savings, and the liquidation of prior year carryover encumbrances. Due primarily to higher revenues, this fund balance estimate is expected to be exceeded by approximately \$15 million to \$16 million based on current tracking.

The following discussion highlights General Fund revenue activities through February.

KEY GENERAL FUND REVENUES

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Property Tax	\$ 324,450,000	\$ 177,536,805	\$ 162,251,032

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), Aircraft Property Tax, and Homeowner's Property Tax Relief. In 2018-2019, based on information provided by Santa Clara County, Property Tax receipts are estimated at \$328.1 million, which is \$3.7 million above the modified budget estimate. This figure reflects growth of \$21.8 million, or 7.1%, over the 2017-2018 collections, primarily due to higher Secured Property Tax receipts (\$21.1 million) and Unsecured Property Receipts (\$1.7 million), partially offset by declining SB813 Property Tax receipts (\$735,000) and Aircraft Property Tax receipts (\$261,000). Additional information about each of the Property Tax sub-categories is provided below.

GENERAL FUND (CONT'D.)

Secured Property Taxes represent over 90% of the revenue in the Property Tax category. Based on the most recent information provided by Santa Clara County, Secured Property receipts are anticipated to total \$302.3 million in 2018-2019. The revised estimate is comprised of General Secured Property Tax receipts of \$278.3 million, excess Education Revenue Augmentation Fund (ERAF) funds of \$15.8 million, and Successor Agency to the Redevelopment Agency (SARA) Residual Property Tax receipts of \$8.2 million. The revised Secured Property receipts estimate is \$6.8 million higher than the Adopted Budget estimate, however, a significant portion of the additional revenue (\$4.0 million) was anticipated and allocated in the 2018-2019 Mid-Year Budget Review that was approved by the City Council on February 12, 2019. The remaining additional Secured Property Tax receipts, generated primarily from excess ERAF funds, may be brought forward as a separate budget adjustment as part of the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum that will be reviewed by the City Council in June 2019.

General Secured Property receipts represent the largest portion of the Secured Property Taxes category and are anticipated to total \$278.3 million in 2018-2019, representing growth of \$17.4 million from the 2017-2018 actual receipts and growth of \$3.2 million from the 2018-2019 Adopted Budget level. The 2018-2019 Adopted Budget was built with the assumption that Secured Property receipts would grow by 5.5% from 2017-2018 receipts, however, based on the most recent information provided by Santa Clara County, it is now anticipated receipts will grow by 6.6%. A significant portion of the additional revenue (\$2.7 million) was anticipated and allocated as part of the 2018-2019 Mid-Year Budget Review.

Beginning in 1992, agencies have been required to reallocate a portion of property tax receipts to the ERAF, which offsets the State's General Fund contributions to school districts under Proposition 98. However, once there are sufficient funds in ERAF to fulfill obligations, the remainder is to be returned to the taxing entities that contributed to it, which generally occurs in March of each fiscal year. In March 2019, the City received notification from Santa Clara County (whom receives information from the State of California) that the City would receive excess ERAF funds of \$15.8 million in the current year. This figure is approximately \$7.4 million higher than the 2017-2018 actual collection level and the 2018-2019 Adopted Budget estimate of \$8.4 million. Due to the County providing preliminary information to the City regarding ERAF receipts throughout the fiscal year, a significant portion of the additional ERAF funds (\$5.5 million) were anticipated and allocated as part of the 2018-2019 Mid-Year Budget Review.

As a result of the SARA bond refunding that occurred in December 2017, the City received a residual property tax distribution of \$11.8 million in 2017-2018. The Adopted 2018-2019 Budget assumed receipts would remain fairly flat at \$12.0 million. However, due to outstanding Supplemental Education Revenue Augmentation Fund (SERAF) loans anticipated to be paid off within the next year, the SARA residual property tax revenue was reduced on a one-time basis to an \$8.2 million in 2018-2019, but are anticipated to increase again in 2019-2020. The City is also expected to receive the SERAF loan repayment revenue in 2019-2020 due to the timing of payments. The 2018-2019 Mid-Year Budget Review included an adjustment to the SARA

GENERAL FUND (CONT'D.)

Residual Property Tax estimate, reducing the budget by \$4.1 million to more closely align with anticipated receipts.

In the **Unsecured Property Tax** category, collections through February totaled \$13.9 million, which are consistent with the prior year collections. Most of the revenue for this category is received in October of each year, with only minimal funding received throughout the remainder of the year. Based on information provided by Santa Clara County as well as actual revenue performance through February, it is anticipated Unsecured Property Tax receipts will end the year at \$15.8 million, which is approximately \$1.3 million above the budgeted level.

For the **SB 813 Property Tax** category, collections totaled \$3.7 million through February, which is slightly below the \$3.8 million received last year at this time. The 2018-2019 Adopted Budget estimate of \$6.9 million is well below the 2017-2018 actual collection level of \$7.4 million as collections in this category ended 2017-2018 stronger than anticipated. However, the 2018-2019 estimate from the County of \$6.6 million is \$234,000 below the budgeted estimate.

Aircraft Property Tax receipts of \$2.3 million have been received through February, which represents a decline of 8.0% from the prior year collection level of \$2.5 million. Typically, most of the receipts for this category are collected in October of each year, with only minimal revenue received through the remainder of the year. Based on information provided by Santa Clara County, and revenue collections through February, it is anticipated receipts will total \$2.5 million by year-end, which is approximately \$200,000 below the 2017-2018 actual collection level and the 2018-2019 Adopted Budget estimate of \$2.7 million.

In the **Homeowners Property Tax Relief** category, revenues in 2018-2019 are expected to end the year at the budgeted estimate of \$950,000, which is consistent with the 2017-2018 collection level.

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Sales Tax	\$ 250,500,000	\$ 140,191,694	\$ 112,203,550

The Sales Tax category includes General Sales Taxes, Local Sales Taxes, and Proposition 172 Sales Taxes. When the 2018-2019 Adopted Budget was developed, it was projected that Sales Tax receipts would end 2017-2018 at \$230.8 million and grow 1.2% to \$233.5 million in 2018-2019. In 2017-2018 Sales Tax receipts, however, ended the year at only \$226.3 million. This lower collection level was due to the under-distribution of sales tax revenue throughout the State.

The California Department of Tax and Fee Administration (CDTFA), which is responsible for distributing Sales Tax revenue to jurisdictions in California, implemented a new automated system, which resulted in 3rd quarter and 4th quarter 2017-2018 receipts not being fully disbursed to jurisdictions during the quarter in which the tax revenue was received. The CDTFA processed

GENERAL FUND (CONT'D.)

the outstanding payments, which were estimated at approximately \$10 million for San José, and included the additional revenue in the 1st quarter 2018-2019 disbursement that was received in November 2018. Based on 1st quarter receipts (including the \$10 million that is attributed to the prior fiscal year), 2nd quarter receipts that were recently received, and estimated collections for the last two quarters, the 2018-2019 Sales Tax revenue is projected to reach \$259.0 million, which is \$8.5 million above the 2018-2018 modified budget estimate. It is anticipated that budget actions will be brought forward at year end to recognize additional Sales Tax revenue. After adjusting 2017-2018 and 2018-2019 Sales Tax figures to account for the under-reporting in 2017-2018, the adjusted growth rate in 2018-2019 is 5.4%, which reflects strong performance in the first two quarters of the fiscal year and estimated receipts for the remaining two quarters.

When the 2018-2019 Adopted Budget was developed, **General Sales Tax** was anticipated to total \$181.2 million in 2017-2018 and after factoring out accrual and one-time adjustments would grow by approximately 2% to \$184.3 million in 2018-2019. However, due to the under-distribution of 2017-2018 Sales Tax by the CDTFA, the General Sales Tax actual receipts in 2017-2018 of \$176.8 million were under-stated by approximately \$9 million. The CDTFA has since processed the outstanding payments and included the additional revenue in the 1st quarter 2018-2019 disbursement that was received in November 2018. Based on the 1st and 2nd quarter actual receipts, including the one-time funds from the prior year, and estimated receipts for the last two quarters, the 2018-2019 General Sales Tax receipts are anticipated to total \$204.8 million, which is \$4.5 million above the modified budget estimate. After adjusting 2017-2018 and 2018-2019 General Sales Tax figures to account for the under-reporting in 2017-2018, the adjusted growth rate in 2018-2019 is 5.3%, which reflects strong performance in the first two quarters of the fiscal year and estimated receipts for the remaining two quarters.

In June 2016, San José voters approved a ¼ cent local sales tax, which was implemented in October 2016. As a result, beginning in 2016-2017, **Local Sales Tax** revenue started to be received in San José. The 2018-2019 Local Sales Tax budget was built on the assumption 2017-2018 receipts would total \$42.6 million and after factoring out accrual adjustments would grow by approximately 2% to 43.0 million in 2018-2019. However, due to the CDTFA under-distributing payments, the Local Sales Tax actual receipts in 2017-2018 of \$41.3 million were understated by an estimated \$1 million - \$2 million. The CDTFA has since processed the outstanding payments and included the additional revenue in the 1st quarter 2018-2019 disbursement that was received in November 2018. Based on the 1st and 2nd quarter actual receipts, including the one-time funds from the prior year and slight growth for the remainder of the fiscal year, the 2018-2019 Local Sales Tax receipts is anticipated to total \$47.7 million, which is \$3.7 million above the modified budget estimate of \$44.0 million.

Proposition 172 Sales Tax collections (representing the ½ cent tax that is allocated to counties and cities on an ongoing basis for funding public safety programs) are expected to total \$6.5 million in 2018-2019, which is \$300,000 above the budgeted estimate of \$6.2 million. This figure represents growth of approximately 2% from the 2017-2018 collections and the 2018-2019 Adopted Budget level.

GENERAL FUND (CONT'D.)

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Transient Occupancy Tax	\$ 19,700,000	\$ 11,112,085	\$ 10,415,827

The 2018-2019 budget estimate for the General Fund **Transient Occupancy Tax** (TOT) allocation (40% of the total tax) is \$19.7 million, which was built assuming growth of approximately 5% from the 2017-2018 estimated collection level of \$18.7 million. However, since 2017-2018 actual receipts came in above estimated levels at \$19.5 million, growth of less than 1% is needed to meet the 2018-2019 budget estimate. Year-to-date TOT receipts through February of \$11.1 million are 6.7% above the prior year collection level of \$10.4 million. Based on year-to-date receipts and continued hotel occupancy and room rate performance through the first half of 2018-2019, supplemented by transient bookings associated with the NCAA 2019 College Football Championship, 2019 Honda NHL All-Star Game, and the 2019 NCAA Division I Men's Basketball Championship, TOT collections are anticipated to exceed the budgeted estimate by approximately \$1 million - \$1.5 million. Due to the timing of remittances, the revenue impacts associated with these events will not be observed until the end of third quarter and beginning of the fourth quarter 2018-2019. TOT performance will continue to be monitored, and if current trends continue, a budget adjustment will be included in the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum that will be reviewed by the City Council in June 2019.

Through February 2019, the average hotel occupancy rate reported for the San José market was 77.2%, a slight increase (0.5%) over the same period in 2017-2018. However, average room rates increased 6.8%, from \$185.6 to \$198.2, and year-to-date average revenue-per-available room (RevPAR) increased 7.5%, from \$142.4 to \$153.1, relative to the same period in 2017-2018. Overall demand for hotel rooms is anticipated to continue through the remainder of 2018-2019, and the outlook for sustained performance in 2019-2020 remains strong.

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Utility Tax	\$ 102,400,000	\$ 60,989,722	\$ 60,453,415

The **Utility Tax** category includes the Electricity Utility Tax, Gas Utility Tax, Water Utility Tax, and the Telephone Utility Tax. Through February, Utility Tax receipts of \$61.0 million are approximately 1% above the prior year collection level, which is due to higher collections in the Gas, Telephone, and Water Utility Tax categories, partially offset by lower Electricity Utility Tax collections. The 2018-2019 Adopted Budget was built on the assumption that 2017-2018 Utility Tax revenue would end the year at \$101.3 million and grow 1.5% to \$102.4 million in 2018-2019. However, since 2017-2018 ended the year only at \$99.8 million, growth of almost 3% is needed in 2018-2019 to meet the budgeted estimate. Based on historical collection trends and performance through February, it is anticipated that Utility Tax revenue will end the year \$3 million - \$4 million below budgeted levels. Budget adjustments will be brought forward at year-end, as necessary.

GENERAL FUND (CONT'D.)

In the **Electricity Utility Tax** category, collections through February totaled \$29.1 million, which is almost 3% below the \$29.9 million received in the prior fiscal year. The 2018-2019 Adopted Budget assumed that 2017-2018 receipts would total \$48 million, and grow approximately 2% to \$49 million in 2018-2019. However, since 2017-2018 ended the year at \$46.8 million, growth of almost 5% is needed to meet the budgeted estimate. Based on current collection trends, receipts in this category are anticipated to fall approximately \$2 - \$3 million below the budgeted estimate by year-end.

In the **Gas Utility Tax** category, receipts through February totaled \$5.7 million, a 2.6% increase from the previous year collection of \$5.5 million. The 2018-2019 Adopted Budget estimate of \$10.0 million assumed no growth from the 2017-2018 estimate of \$10.0 million. However, revenues in 2017-2018 ended the year at \$10.6 million, therefore the 2018-2019 estimate allows for an almost 5% drop from the prior year collections. The largest receipts in this category are received over the winter months and the weather conditions significantly affects collection levels. At this point in the fiscal year it is anticipated revenues will meet or fall slightly below the budgeted level by year-end. This estimate takes into consideration lower Gas Utility Tax collections in October 2018 and April 2019 due to the California Climate Credit.

Water Utility Tax collections of \$10.0 million through February are 2.6% above the prior year level of \$9.7 million. The 2018-2019 Adopted Budget was built on the assumption that \$16.7 million would be received in 2017-2018, then grow approximately 3% to \$17.2 million in 2018-2019. However, since 2017-2018 receipts only totaled \$15.6 million, growth of 10.4% is required to meet the 2018-2019 budgeted level. Based on current collection trends, receipts in this category are anticipated to fall approximately \$1 million - \$1.5 million below the budgeted estimate by year-end.

Collections in the **Telephone Utility Tax** category of \$16.3 million through February are 6.7% above the prior year level of \$15.2 million. The 2018-2019 collections include compliance revenue of \$1.3 million that was received on a one-time basis. When the compliance revenue is excluded, the 2018-2019 collections are approximately 2% below the prior year levels. Revenues in this category have been consistently declining in recent years as a result of wireless consumers shifting to less expensive prepaid wireless plans, competition with cellular companies that keep prices down, and the taxable base of wireless communications not including data plans. The 2018-2019 Adopted Budget estimate of \$26.2 million allows for a 2.4% decrease from the 2017-2018 collection level of \$26.9 million. It is currently anticipated receipts will slightly exceed budgeted levels at year-end due to the receipt of compliance revenues.

GENERAL FUND (CONT'D.)

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Business Taxes	\$ 69,400,000	\$ 48,258,574	\$ 46,539,256

The Business Taxes category consists of the Cardroom Tax, Disposal Facility Tax, General Business Tax, and Marijuana Business Tax. Through February, overall collections of \$48.3 million are 3.7% above the prior year collection levels of \$46.5 million, primarily reflecting higher Marijuana Business Tax collections. The 2018-2019 Adopted Budget estimate of \$69.4 million allows for almost 2% decline from 2017-2018 levels as the result of 2017-2018 ending the year approximately \$2.3 million above the estimated level. It is currently anticipated Business Tax collections will exceed the budget estimate by year-end by almost \$3 million.

Through February, **Cardroom Tax** receipts of \$10.9 million are 1% below the prior year collections of \$11.0 million, but are projected to meet the budgeted estimate of \$18.7 million. Because receipts in 2017-2018 slightly exceeded expectations, collections in the category can drop by 1% in 2018-2019 and reach the budgeted estimate.

Disposal Facility Tax revenue of \$6.9 million is consistent with the prior year. The 2018-2019 budgeted estimate of \$11.5 million allows for a 6% drop from the 2017-2018 actual receipts of \$12.3 million, as collections in the last quarter of 2017-2018 exceeded expectations. Based on current collection trends, receipts are projected to end the year \$500,000 - \$700,000 above budgeted levels. Multiple factors impact collections including construction activity, population density, and the hauling of solid waste from outside the immediate area as other facilities might be farther away or costlier. Therefore, this revenue source can fluctuate from year to year.

Through February, **General Business Tax** receipts of \$21.7 million are consistent with the prior year. The 2018-2019 budgeted estimate assumed 2017-2018 collections would reach \$23.7 million and increase to \$25.7 million in 2018-2019. This factored in 2% underlying growth for inflation adjustments from the 2017-2018 estimate, plus an additional \$1.5 million revenue as the result of the General Business Tax Amnesty Program, which was approved to be implemented in 2018-2019 and would encourage the enrollment of non-compliant businesses. Since actual 2017-2018 receipts totaled \$26.5 million, the 2018-2019 estimate allows for a 3% drop from the prior year. While the General Business Tax Amnesty Program is not expected to begin until the end of the fiscal year, receipts are projected to slightly exceed the budgeted estimate by \$500,000 to \$1 million based on prior year actuals and current year activity.

Marijuana Business Tax revenue through February totaled \$8.8 million, which is well above the \$7.0 million received through the same period last year. The 2018-2019 Adopted Budget for the Marijuana Business Tax totals \$13.5 million, which requires approximately 4% growth from 2017-2018 collections. With the passage of the California Marijuana Legalization Initiative (Proposition 64) in November 2016, recreational marijuana use was legalized in California. As a result, the sale of recreational cannabis at the 16 licensed dispensaries in San José began in January 2018, which was anticipated to generate additional revenue. Based on collections through February, revenues are anticipated to exceed the budgeted level by year end by approximately \$1.5 million.

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Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Licenses and Permits	\$ 60,893,631	\$ 45,386,034	\$ 44,455,419

The Licenses and Permits category contains fees and charges collected by various departments. The most significant revenue sources are development-related fees, which include Building Permits and Fire Permits. Through February, revenue of \$45.4 million are 2.1% above the prior year level of \$44.5 million, which is primarily due to higher Fire Permit and Building Permit collections, partially offset by lower other licenses and permits. The 2018-2019 Adopted Budget estimate of \$60.9 million requires growth of almost 1% from the 2017-2018 collection level of \$60.5 million. Based on activity through February and adjustments for the timing of payments, Licenses and Permits receipts are estimated to end the year above budgeted levels.

Building Permit revenues of \$23.8 million through February are 8.4% higher than the 2017-2018 collection level for the same period. The 2018-2019 Adopted Budget estimate of \$32.5 million assumed that receipts would remain at the estimated 2017-2018 levels of \$32.5 million. However, since actual 2017-2018 Building Permit revenues totaled \$33.5 million, receipts can drop 3.1% in 2018-2019 and still meet the revenue estimate.

Residential building permit revenues through February are lower than anticipated levels, with the exception of building plan check fees. However, most non-residential and miscellaneous building permit receipts are higher than anticipated through February, with the exception of non-residential building plan check and permit processing fees.

For 2018-2019, the Building Fee Program continued the phased implementation of the new fees and/or fee modifications recommended for the program as part of the City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report accepted by the City Council in December 2016. However, these changes, implemented on August 13, 2018, had no net impact to the overall revenue estimate for 2018-2019 of \$32.5 million. It is currently anticipated Building Permit revenues will end the year above the 2018-2019 budget revenue estimate of \$32.5 million by at least \$1 million due to higher activity levels.

As discussed in the Economic Impact section of this report, residential activity through February 2019 consisted of 1,931 multi-family units and 279 single-family units for a total of 2,210 units. Commercial activity through February amounted to a valuation of \$351.7 million (new construction of \$186.7 million, alterations of \$165.0 million). Industrial activity through February reached a valuation of \$279.0 million (new construction of \$84.9 million, alterations of \$194.1 million). Alteration activity accounted for over half of the industrial activity in February.

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Fire Permits, which consist of development and non-development related permits, totaled \$10.8 million through February. This represents a 3.8% increase from the prior year collections. To meet the 2018-2019 budgeted revenue estimate of \$13.3 million, growth of less than 1% from the 2017-2018 actual collection level of \$13.2 million is needed; at this point of the year, collections are anticipated to meet or slightly exceed budgeted levels by year-end.

Development related receipts through February of \$5.4 million are consistent with the prior year collections. The budgeted estimate of \$8.1 million aligns with the prior year's actual collections of \$8.1 million and it is anticipated that receipts will meet the budgeted estimate by year-end.

Non-Development receipts of \$5.4 million represents 105.2% of the budget and are 7.6% above revenues received through February 2018. This collection primarily represents all four of the major billing cycles for non-development fire permits for this fiscal year. Although collections have exceeded the budget, a bad debt write-off adjustment of approximately \$240,000 is anticipated to occur by year-end. Once the adjustment occurs revenues are anticipated to align with or slightly exceed the budgeted level.

Revenue	2018-2019 Estimate	YTD Actual	Prior YTD Collections
Fees, Rates, and Charges	\$ 55,821,726	\$ 35,434,963	\$ 31,703,952

The Fees, Rates, and Charges category contains various fees and charges levied to recover costs of services provided by several City departments, including Library; Parks, Recreation and Neighborhood Services; Planning, Building and Code Enforcement; Police; Public Works; and Transportation. Through February, revenues totaled \$35.4 million, which is 11.8% above the \$31.7 million received in the prior year. The 2018-2019 Modified Budget estimate of \$55.8 million requires a 9.3% increase from the actual 2017-2018 collection level. The higher receipts in 2018-2019 is partially due to the timing of small cell permitting payments to the Public Works Department, which is discussed in the Public Works revenue section below. With the exception of the Planning Fees, the departmental fee categories are generally tracking within estimated levels through February and are expected to meet or exceed the budgeted estimates by year-end.

Through February, **Planning Fee** revenues of \$5.0 million were 22.4% above the prior year collection level of \$4.1 million. However, to meet the 2018-2019 Adopted Budget estimate of \$8.96 million, an increase of 36.7% is needed from prior year actual revenue of \$6.6 million. The budgeted increase in revenue was anticipated in 2018-2019 due to City Council-approved fee changes that were implemented on August 13, 2018.

GENERAL FUND (CONT'D.)

Through February, revenue was strong for several of the Planning Fees, including public information services, residential General Plan amendments, non-residential conventional rezonings/rezonings, non-residential environmental clearances, non-residential planned development permits, and non-residential development permit adjustments. However, partially offsetting these collections were lower than estimated revenues from several fees, including residential and non-residential planned development rezonings/rezonings, residential and non-residential site development permits, and miscellaneous permits.

Based on current collection trends, Planning Fee revenues are anticipated to end the year below the budgeted estimate by approximately \$1.0 million. A portion of this lower collection level can be offset by projected expenditure savings of \$750,000. An action to use a portion of the Planning Development Fee Program Reserve that currently totals \$1.1 million may be recommended at year-end to address any net shortfall between revenues and expenditures.

Public Works revenues through February of \$10.0 million increased 22.5% from the prior year level of \$8.1 million, primarily due to receipt of Small Cell Permitting fee (\$1.8 million) deposits from multiple telecommunications companies for anticipated permitting activity during 2018-2019. In contrast, one deposit of \$850,000 was received during the final quarter of 2017-2018, consistent with the execution of relevant agreements. The Public Works total revenue collections are comprised of \$4.8 million from the Development Services Fee Program, \$3.3 million from the Utility Fee Program, and \$1.8 million for Small Cell Permitting. Revenue received for Small Cell Permitting is a deposit for works-in-progress that will be spent through the remainder of the fiscal year. Development Services Fee Program revenues are tracking below year-to-date estimates, primarily in engineering residential fees due to lower activity levels. This trend is partially offset by higher than estimated collections in several non-residential fees, including Development Application Review, Environmental Impact Reports, and Grading fees. Based on current collections, Public Works' Development Fee revenues are anticipated to end the year below the budgeted estimate, while Utility Fee Program revenues are expected to exceed budgeted estimates by year-end. Development Fee revenue will continue to be closely monitored and if necessary, a budget adjustment will be included in the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum that will be brought forward for City Council consideration in June 2019. Overall, based on activity through February, collections in Public Works revenues are projected to end the year at or slightly above budgeted levels.

EXPENDITURES

Through February, General Fund expenditures (without encumbrances) of \$822.9 million were 4.7% above the prior year level of \$786.1 million. Encumbrances of \$59.3 million were 9.7% below the prior year level of \$65.6 million. In total, the General Fund expenditures and encumbrances through February totaled \$882.2 million, which constitutes 55.8% of the total budget including reserves, and 62.4% of the budget excluding reserves. Overall, expenditures are within estimated levels through February and should generate a minimal amount of savings by year end.

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GENERAL FUND (CONT'D.)

Through February, a number of departments/offices personal services expenditures were tracking slightly above estimated levels, including the Environmental Services, Fire, Library, Parks, Recreation and Neighborhood Services, Police and Public Works Departments. Expenditures will continue to be controlled and monitored to ensure appropriations stay within approved levels at year-end to the extent possible. Following is a discussion of the performance of the Police and Fire Departments, the largest General Fund departments.

KEY GENERAL FUND EXPENDITURES

Department	2018-2019 Budget	YTD Actual	Prior YTD Actual
Police	\$ 416,996,534	\$ 256,095,520	\$ 240,847,228

Overall, the Police Department's expenditures are currently projected to end the year approximately \$2 million - \$4 million above budgeted levels, which represents less than 1% of the Police Department's \$417.0 million budget. While personal services expenditures through February of \$236.9 million are slightly below estimated levels (61.19% expended compared to the par of 61.37%), higher expenditures are expected through the remainder of the year primarily due to additional recruit academies and special events. Through February, overtime expenditures totaled \$23.9 million, which represents 99.98% of the \$23.9 million budget. It is currently anticipated overtime expenditures will total approximately \$39.4 million by year-end, which is 10% below the 2017-2018 overtime expenditures of \$43.7 million. Most of the overtime overage projected in 2018-2019 will be offset by vacancy savings. Non-personal/equipment expenditures are expected to end the year at budgeted levels.

Personal services expenditures are currently anticipated to exceed the budget by approximately \$2 million - \$4 million by year-end. This takes into account many factors, including, anticipated recruit academies, special events, projected attrition, and overtime trends that are subject to change. The potential overage is primarily attributed to additional overtime costs to backfill for sworn positions while recruits are in training and overtime payouts for sworn personnel that have reached the compensatory time limit. The Police Department has worked diligently to fill vacancies in both sworn and civilian positions. Vacancy savings have been used to pay for Police Academy Recruits as well as to backfill positions in Patrol. However, as the Department fills vacancies, these savings have decreased. While the goal is to fill the vacancies and eliminate the need to backfill positions, new recruits are in academy training and field training for 10-12 months. Until the new recruits are street-ready and solo beat officers in Patrol, the Department continues to backfill these positions, incurring overtime. The vacancies over the last several years have also contributed to the build-up of compensatory time balances for sworn personnel. There is a limit of 480 hours of compensatory time balances after which sworn personnel are paid in overtime for any additional hours worked. Currently, 281 sworn personnel are at the 480-hour limit.

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GENERAL FUND (CONT'D.)

Overtime consists of overtime expenditures and compensatory time. The Memorandum of Agreement (MOA) with the Police Officer's Association (POA) limits how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of February 2019 was 272,843 hours for sworn personnel. This represents an increase of 21,160 hours or 8.4% compared to the February 2018 balance of 251,683. As described above, 281 sworn personnel have reached the compensatory balance limit of 480 hours and all overtime worked by these employees is paid overtime. The Department is enforcing compensatory time reduction by requiring all sworn staff, outside of the Bureau of Field Patrol (BFO), to reduce compensatory time balances by the end of the calendar year or submit a request for an extension, per the MOA. Due to staffing levels needed to respond to calls for service, BFO is currently exempted until such time the Department reaches full street-ready sworn staffing (sworn who are fully trained and able to work as solo beat officers).

Marking an end to the long period of high levels of sworn vacancies, most sworn vacancies are currently filled. Please note that the authorized staffing level of 1,110 does not yet include the 41 sworn positions added in the 2018-2019 Adopted Budget effective June 2019. While the sworn positions are filled, there is still a significant gap between filled positions and working street-ready positions.

	2017-2018 (as of 3/16/18)	2018-2019 (as of 3/15/19)
Authorized Sworn Staffing	1,109	1,110
Vacancies	(69)	(15)
Filled Sworn Staffing	1040	1,095
Field Training Officer/Recruits	(156)	(138)
Street-Ready Sworn Positions Available	884	957
Disability/Modified Duty/Other Leaves	(72)	(63)
Street-Ready Sworn Positions Working	812	894

To continue filling vacant positions, the Department will conduct three Police Recruit Academies in 2018-2019, including the February 2019 Academy that began with 42 new recruits and an academy that will begin in June 2019. The June 2019 Academy is projected to start with 45-55 recruits depending on lateral hires and re-hires. These recruits will offset retirements anticipated later in the year, and the actual numbers may vary based on actual attrition.

A total of \$19.2 million (64.21%) of the Department's Non-Personal/Equipment budget was expended or encumbered through February. Excluding the remaining balances for centrally-determined details, including electricity, gas, and vehicle operation and replacement, the Department has approximately \$4.5 million, or 19.8% of the non-centrally-determined appropriation available for the remainder of the fiscal year.

GENERAL FUND (CONT'D.)

Department	2018-2019 Budget	YTD Actual	Prior YTD Actual
Fire	\$ 228,871,910	\$ 141,414,989	\$ 136,740,239

Overall, Fire Department expenditures are slightly higher than estimated levels through February. Personal services expenditures of \$134.7 million, or 61.7% of the Modified Budget, are slightly higher than the expected level of 61.37% at this point of the year, which is primarily due to overtime that was needed during fire season and hurricane season. Strike Team deployments were made to assist with several wild fires, including Mendocino Complex and Carr Fire and Task Force 3 deployments were made for out of state emergency responses, including Hurricane Lane and Hurricane Olivia. Reimbursements for expenditures incurred for the remaining Strike Team and Task Force 3 deployments will be included in the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum that will be reviewed by the City Council in June 2019; these adjustments are expected to bring the budget in line with expenditures. A total of \$10.7 million (62.82%) of the Department's Non-Personal/Equipment budget was expended or encumbered through February, and these expenditures are expected to end the year within budgeted levels.

Overall, the average sworn vacancy rate of 5.8% is approximately 0.4% higher than the vacancy rate experienced this time last year; and vacancies continue to exceed the budgeted rate of 2.5%. The first 2018-2019 Firefighter Recruit Academy, consisting of 22 Firefighter Recruits, will be completed on March 23, 2019. The number of sworn vacancies is anticipated to total 41 following the graduation. A second 2018-2019 Firefighter Recruit Academy consisting of 27 recruits will begin on May 19, 2019 and will carry over into 2019-2020.

In accordance with the City Council's approval of a March 2010 report on annual vacancy and absence rates, the Fire Department has committed to limiting administrative assignments for sworn administrative personnel for overtime control purposes. As of the end of October, of the 32 current authorized staffing level, the Fire Department had 31 sworn personnel on administrative assignments.

CONTINGENCY RESERVE

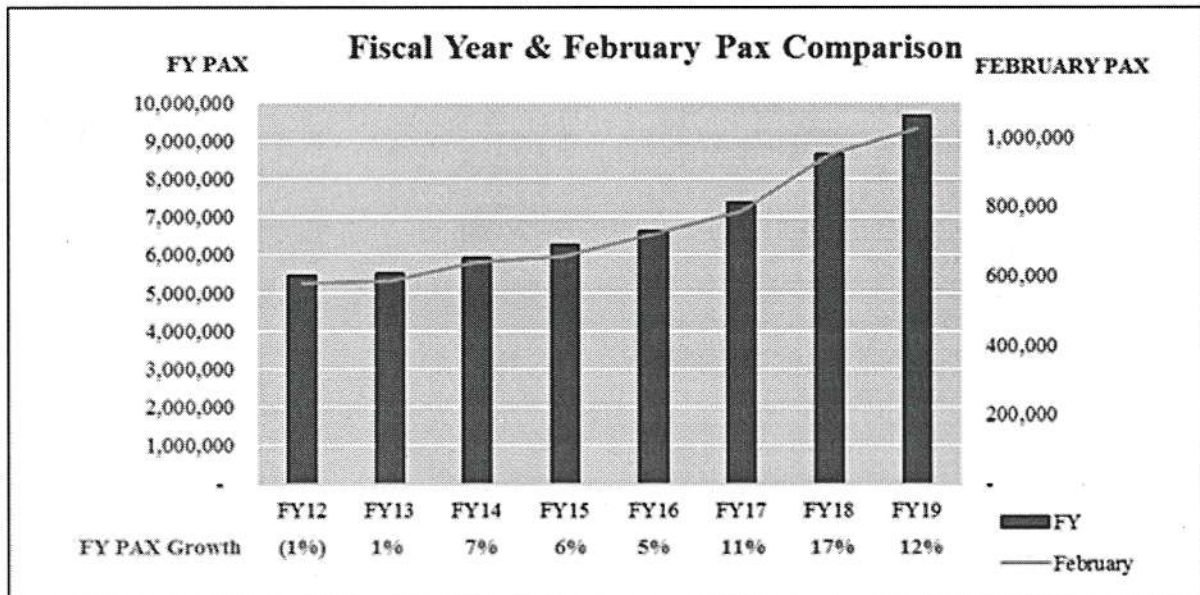
The General Fund Contingency Reserve was amended as part of the 2017-2018 Annual Report, increasing the reserve by \$500,000; from \$36.5 million to \$37.0 million. This reserve level complies with Council Policy 1-18, Operating Budget and Capital Improvement Program Policy, that requires the Contingency Reserve to be at a minimum of 3% of the operating budget. The Contingency Reserve has not been used in 2018-2019.

OTHER FUNDS

Airport Funds

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 9.7 million passengers, an increase of 11.5% from the figures reported through February of the prior year. International passengers represent an increase of 6.6% from the prior fiscal year boosted by the start of Volaris to Leon in November. The chart below depicts the year-over-year change for the month of February and Fiscal Year-to-Date for the last eight years.

Fiscal year-to-date mail, freight, and cargo totaled 76.9 million pounds, which represents a 3.8% decrease from the prior year. Revenue-generating activities posted increases over the same period of the prior fiscal year: Traffic Operations (landings and takeoffs) by 9.3%, Landed Weights by 9.6%, gallons of Aviation Fuel sold by 4.7%, and Ground Transportation (taxicabs and Transportation Network Company's) operations by 36.0%. Although Parking exits were down 3.3% from the prior year, parking revenues are tracking above budgeted levels.



Through February, overall revenue performance at the Airport tracked 7% above estimated levels. Airfield revenues tracked 8% higher than the benchmark substantially due to in-flight kitchen and ground support concession revenues. General and Non-Aviation revenue tracked 7% higher than the benchmark primarily due to interest earnings and compressed natural gas (CNG) tax rebates. Parking and Roadway (P&R) revenues tracked 17% higher than benchmark while Terminal Concessions revenues tracked 19% higher than benchmark. P&R tracked higher than benchmark due to public parking, rental car concession and ground transportation trip fee revenue. Terminal Concessions tracked higher than benchmark due to food and beverage, advertising, and lounge revenues.

OTHER FUNDS (CONT'D.)

Through February, both the Airport Customer Facility and Transportation Fee Fund and Airport Maintenance and Operation Fund expenditures tracked below budgeted levels. In the Maintenance and Operation Fund, Personal Service expenditures were 61.0% of budget compared to the benchmark of 61.5%, while Non-Personal/Equipment expenditures were 45.6% compared to the benchmark of 58.0%. Non-Personal/Equipment expenditures in the Customer Facility and Transportation Fee Fund were 58.5% compared to the straight-line benchmark of 66.7%. The Administration will continue to closely monitor and report activity, revenue and expenditure status.

Construction and Conveyance Tax Funds

Through February 2019, C&C Tax receipts totaled \$26.4 million, which represents over 69% of the 2018-2019 Adopted Budget estimate (\$38.0 million). In addition, the City has received the March Conveyance receipts from Santa Clara County, which total \$2.3 million, a 12% decrease from the March 2018 collection level. Total C&C collections through March of \$28.7 million are 4.3% below receipts through the same time period in the prior year.

The 2018-2019 Adopted Capital Budget was built on the assumption that C&C Tax receipts in 2017-2018 would total \$42.0 million, then drop by almost 10% to \$38.0 million in 2018-2019. However, due to stronger than anticipated performance in the last half of the fiscal year, 2017-2018 receipts totaled \$48.1 million. Therefore, the 2018-2019 revenue estimate of \$38.0 million allows for a 21% decline in tax revenue from the 2017-2018 actual tax collection. Based on actual receipts and factoring in recent downward collection trends, it is estimated that 2018-2019 receipts will end the year at \$42 million, which falls short of the 2017-2018 actuals, but exceeds the budgeted estimate by approximately \$4 million.

Over 99% of the total Construction and Conveyance Taxes are comprised of conveyance receipts, a tax based on the value of property transfers (sales). As discussed in the Economic Environment section of this Bi-Monthly Financial Report, the local real estate market continues to experience declining single family median home prices coupled with declining sales activity. Since housing statistics are a key driver for the overall C&C collection levels, significant changes in the housing market will drastically affect the C&C Tax receipts. Local real estate information will therefore continue to be closely monitored.

Other Construction-Related Revenues

Revenues associated with construction activity are currently anticipated to meet budgeted levels by year end. As discussed below, the Construction Excise Tax receipts and the Building and Structure Construction Tax receipts through February are lower than prior year levels. Construction activities drive revenue collection in several categories, including the Construction Excise Tax and the Building and Structure Construction Tax, and are an indicator of future activity for several other categories, such as storm and sanitary sewer system fees.

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OTHER FUNDS (CONT'D.)

Through February, the **Construction Excise Tax** collection level of \$17.3 million is 17.3% below the prior year receipts of \$20.9 million. This revenue level represents 82.4% of the 2018-2019 Budget of \$21.0 million. When the 2018-2019 Adopted Capital Budget was developed it was assumed that high collection receipts experienced in 2016-2017 (\$30.2 million) and 2017-2018 (estimated at \$27.0 million) would not be sustainable, therefore, the 2018-2019 estimate was decreased by 22.2%, to \$21.0 million. However, since 2017-2018 receipts of \$29.4 million ended the year above the estimated level, the 2018-2019 budgeted estimate allows for a 28.5% drop from the prior year collection level. While this tax is extremely volatile, it is currently anticipated receipts will slightly exceed budgeted levels. This revenue category will continue to be monitored throughout the year, and if necessary, budget adjustments may be brought forward at a later date.

Through February, the **Building and Structure Construction Tax** collection level of \$13.0 million is 15.4% below the prior year receipts of \$15.4 million. This revenue level represents 81.5% of the 2018-2019 Budget of \$16.0 million. When the 2018-2019 Adopted Capital Budget was developed, it was assumed that high collection receipts experienced in 2016-2017 (\$23.3 million) and 2017-2018 (estimated at \$20.0 million) would not be sustainable, therefore, the 2018-2019 estimate was decreased by 20%, to \$16.0 million. However, since 2017-2018 receipts of \$21.5 million ended the year above estimated levels, the 2018-2019 budgeted estimate allows for a 25.5% drop from the prior year collection level. While this tax is extremely volatile, it is currently anticipated receipts will slightly exceed budgeted levels. This revenue category will continue to be monitored throughout the year, and if necessary, budget adjustments may be brought forward at a later date.

CONCLUSION

Overall, the City's funds appear to be performing within budgeted expectations through February. While there are individual variances by revenue and expenditure categories, overall General Fund revenues are anticipated to exceed budgeted levels and expenditures are within estimated levels through February. A limited number of adjustments to the General Fund as well as other City funds, based on 2017-2018 actual performance as well as 2018-2019 activity through the first half of the year, have been approved through the 2017-2018 Annual Report and the 2018-2019 Mid-Year Budget Review. As new information is received, any additional adjustments based on 2018-2019 performance will be brought forward as part of the Approval of Various Budget Actions for Fiscal Year 2018-2019 memorandum in June 2019 and will be factored into the 2019-2020 Proposed Budget process, as appropriate.

As always, staff will continue to report to the City Council significant developments through this and other budget reporting processes.



MARGARET MCCAHAN
Budget Director



FINANCE DEPARTMENT
Monthly Financial Report

Financial Results for the Month Ended February 28, 2019
Fiscal Year 2018-2019
(UNAUDITED)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the Month Ended February 28, 2019
Fiscal Year 2018-2019
(UNAUDITED)

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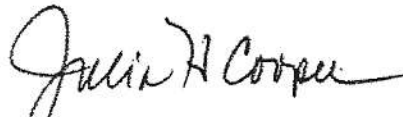
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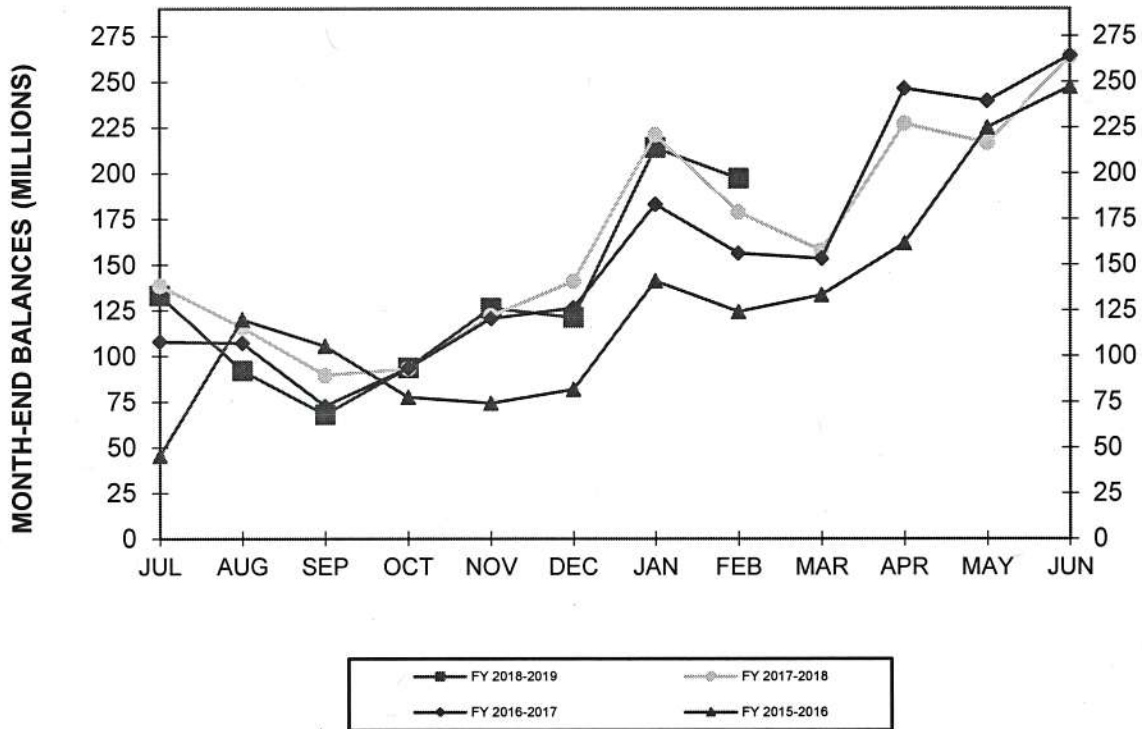
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Submitted by:



JULIA H. COOPER
Director, Finance Department

GENERAL FUND
Comparison of Cash Balances vs. Prior Year's Balance

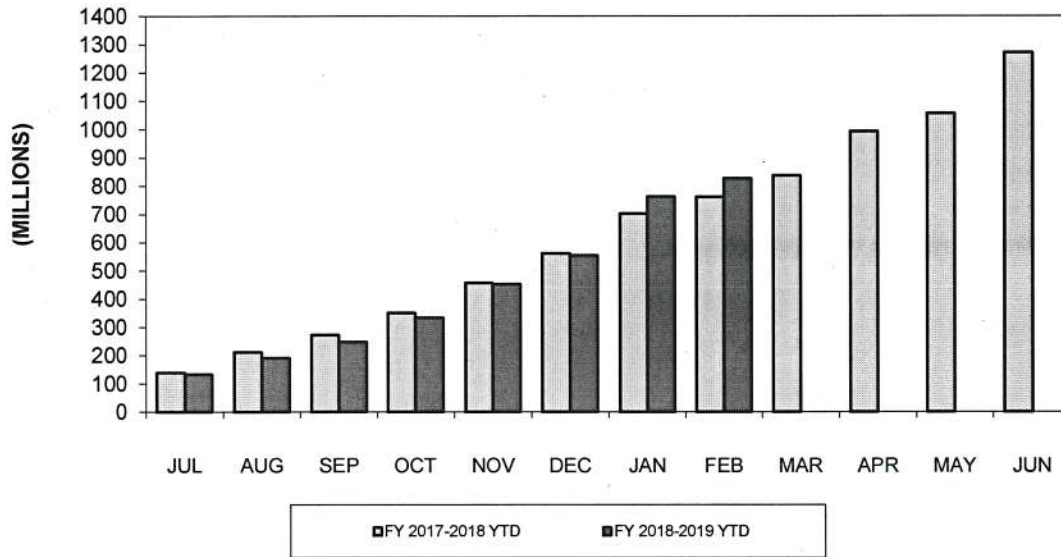


GENERAL FUND MONTHLY CASH BALANCES

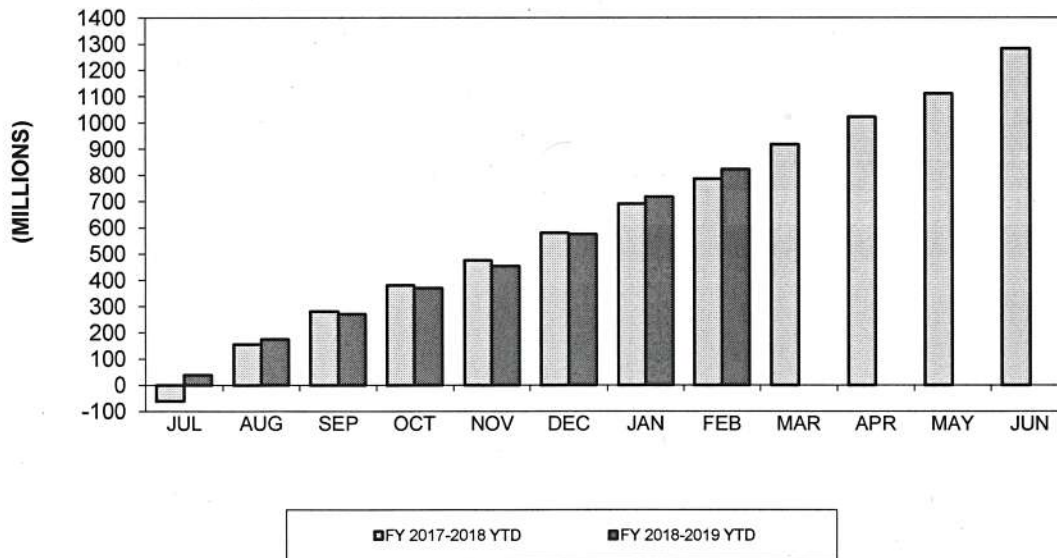
MONTH	FY 2018-2019	FY 2017-2018	FY 2016-2017	FY 2015-2016
JULY (1)	\$ 133,276,057	\$ 138,576,379	\$ 108,012,647	\$ 45,401,908
AUGUST	91,972,139	115,540,880	107,081,005	119,988,835
SEPTEMBER	67,970,290	89,537,017	72,718,873	105,422,447
OCTOBER	93,654,030	93,031,593	93,456,157	77,571,562
NOVEMBER	126,316,418	122,022,698	120,485,944	74,153,007
DECEMBER	121,024,958	140,886,445	126,203,310	81,796,424
JANUARY	214,000,120	220,937,707	183,072,948	141,189,103
FEBRUARY	197,277,698	178,836,751	156,320,836	124,444,495
MARCH	-	157,759,493	153,282,389	133,493,608
APRIL (2)	-	227,063,040	246,281,183	161,690,247
MAY	-	216,439,757	239,467,743	224,983,657
JUNE	-	263,800,843	264,266,135	247,092,735

- (1) The General Fund cash balance decreases each July and August mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.
- (2) The General Fund cash balance increases in April or May of every year mainly due to the receipt of the second annual installment of property taxes from Santa Clara County.

GENERAL FUND
Comparison of YTD Revenues vs. Prior YTD Revenues
Actual

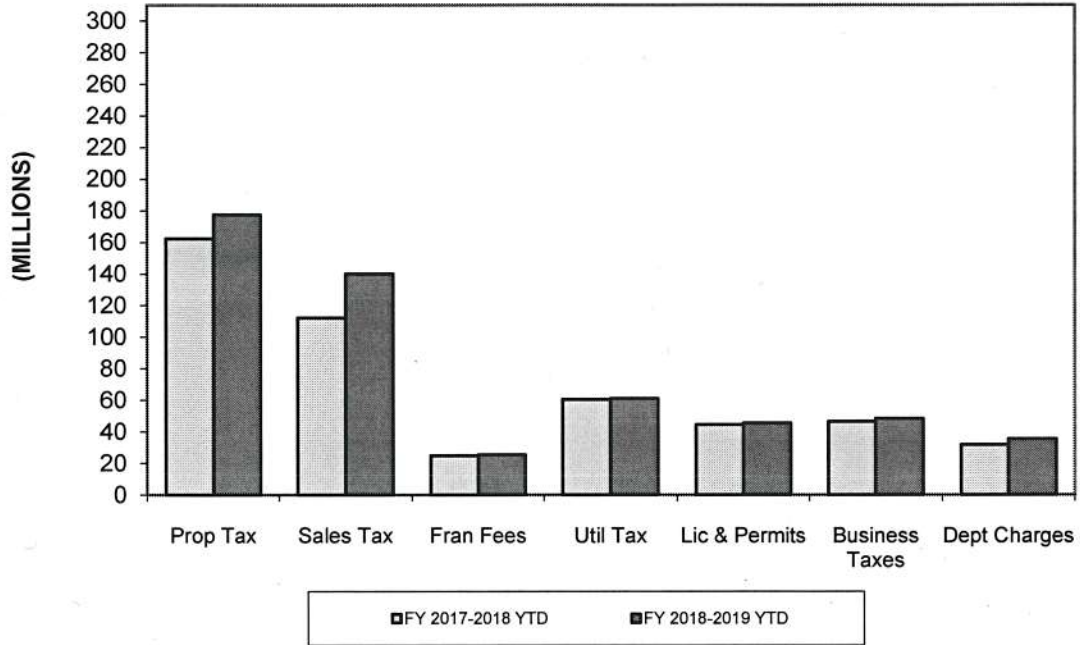


GENERAL FUND
Comparison of YTD Expenditures vs. Prior YTD Expenditures
Actual

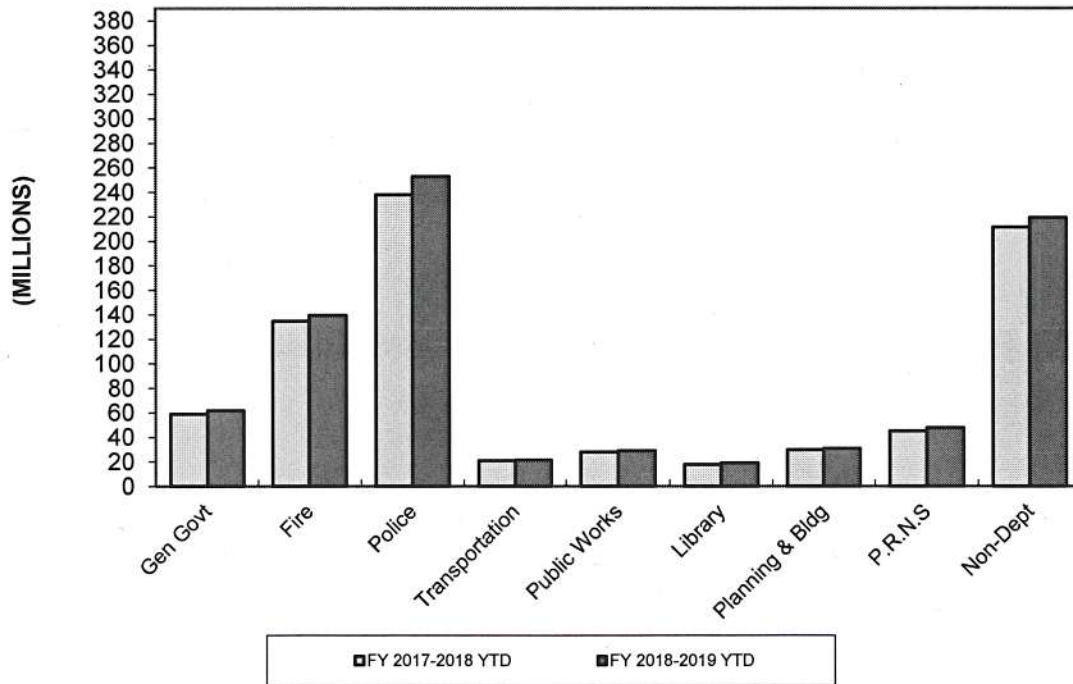


Negative prior YTD expenditures were due to year-end adjustments (accruals/reversals).

GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual



GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual



**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE MONTHS ENDED FEBRUARY 28, 2019**

(UNAUDITED)

(\$'000's)

	ADOPTED FY 2018-2019 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2018-2019 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Fund Balance											
Prior Year Encumbrances	-	-	39,259	39,259	39,259	100.00%	46,920	101.85%	46,067	(7,661)	-16.33%
Available Balance	233,635	16,318	-	249,953	249,953	100.00%	241,173	100.00%	241,173	8,780	3.64%
Total Fund Balance	233,635	16,318	39,259	289,212	289,212	100.00%	288,093	100.30%	287,240	1,119	0.39%
General Revenues											
Property Tax	320,450	4,000	-	324,450	177,537	54.72%	162,251	52.98%	306,222	15,286	9.42%
Sales Tax (1)	233,500	17,000	-	250,500	140,192	55.96%	112,204	49.57%	226,337	27,988	24.94%
Telephone Line Tax	20,000	-	-	20,000	12,771	63.86%	11,792	57.58%	20,481	979	8.30%
Transient Occupancy Tax	19,700	-	-	19,700	11,112	56.41%	10,416	53.33%	19,531	696	6.68%
Franchise Fees	50,475	-	-	50,475	25,491	50.50%	24,756	48.37%	51,180	735	2.97%
Utility Tax	102,400	-	-	102,400	60,990	59.56%	60,453	60.60%	99,753	537	0.89%
Business Taxes	69,400	-	-	69,400	48,259	69.54%	46,539	65.85%	70,673	1,720	3.70%
Licenses and Permits	60,894	-	-	60,894	45,386	74.53%	44,455	73.48%	60,503	931	2.09%
Fines, Forfeits and Penalties	14,983	-	-	14,983	10,690	71.35%	9,380	65.35%	14,354	1,310	13.97%
Use of Money and Property	6,897	-	-	6,897	5,478	79.43%	5,100	64.31%	7,930	378	7.41%
Revenue from Local Agencies	13,711	2,394	-	16,105	7,547	46.86%	6,283	16.34%	38,441	1,264	20.12%
Revenue from State of CA	12,692	1,302	-	13,994	2,278	16.28%	2,698	17.16%	15,721	(420)	-15.57%
Revenue from Federal Government	2,212	3,994	-	6,206	1,269	20.45%	2,048	36.63%	5,591	(779)	-38.04%
Fees, Rates and Charges	53,860	1,962	-	55,822	35,439	63.49%	31,626	62.38%	50,703	3,813	12.06%
Other Revenues	13,641	172,452	-	186,093	204,055	109.65%	163,056	74.47%	218,951	40,999	25.14%
Total General Revenues	994,815	203,104	-	1,197,919	788,494	65.82%	693,057	57.45%	1,206,371	95,437	13.77%
Transfers & Reimbursements											
Overhead Reimbursements	52,550	-	-	52,550	11,552	21.98%	39,992	84.65%	47,245	(28,440)	-71.11%
Transfers from Other Funds	25,565	(2,003)	-	23,562	8,017	34.03%	8,541	32.47%	26,306	(524)	-6.14%
Reimbursements for Services	18,225	313	-	18,538	18,997	102.48%	19,404	111.97%	17,329	(407)	-2.10%
Total Transfers & Reimbursements	96,340	(1,690)	-	94,650	38,566	40.75%	67,937	74.75%	90,880	(29,371)	-43.23%
Total Sources	1,324,790	217,732	39,259	1,581,781	1,116,272	70.57%	1,049,087	66.21%	1,584,491	67,185	6.40%

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

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE
	FY 2018-2019 BUDGET	BUDGET AMENDMENTS		FY 2018-2019 BUDGET	ACTUAL (*)	ENCUMBR	ACTUAL % OF BUDGET	YTD ACTUAL (1)(*)	OF PRIOR YEAR-END ACTUAL		PRIOR YEAR-END ACTUAL (1)(*)	PRIOR YTD ACTUAL (1)
General Government												
Mayor and Council	14,651	944	105	15,700	7,513	199	47.85%	7,168	64.74%	11,072	345	4.81%
City Attorney	15,512	1,085	857	17,454	9,849	1,065	56.43%	9,663	62.11%	15,558	186	1.92%
City Auditor	2,543	61	-	2,604	1,619	-	62.17%	1,383	59.90%	2,309	236	17.06%
City Clerk	2,767	(11)	27	2,783	1,508	56	54.19%	1,687	63.23%	2,668	(179)	-10.61%
City Manager	20,672	360	1,367	22,399	11,077	1,697	49.45%	11,129	67.86%	16,399	(52)	-0.47%
Finance	17,655	89	376	18,120	10,237	886	56.50%	9,509	60.65%	15,678	728	7.66%
Information Technology	24,162	497	1,317	25,976	9,898	2,078	38.10%	9,257	53.22%	17,393	641	6.92%
Human Resources	10,283	107	245	10,635	6,089	2,434	57.25%	5,113	58.45%	8,747	976	19.09%
Independent Police Auditor	1,354	29	19	1,402	833	2	59.42%	782	62.11%	1,259	51	6.52%
Office of Economic Development	5,826	244	753	6,823	3,258	625	47.75%	3,246	63.58%	5,105	12	0.37%
Total General Government	115,425	3,405	5,066	123,896	61,881	9,042	49.95%	58,937	61.27%	96,188	2,944	5.00%
Public Safety												
Fire	220,582	7,283	1,007	228,872	139,492	1,923	60.95%	134,662	61.88%	217,603	4,830	3.59%
Police	410,039	5,747	1,211	416,997	252,695	3,401	60.60%	237,859	61.64%	385,855	14,836	6.24%
Total Public Safety	630,621	13,030	2,218	645,869	392,187	5,324	60.72%	372,521	61.73%	603,458	19,666	5.28%
Capital Maintenance												
Transportation	35,828	958	385	37,171	21,520	2,979	57.89%	20,948	60.01%	34,906	572	2.73%
Public Works	47,027	2,157	288	49,472	28,868	2,544	58.35%	27,967	61.75%	45,293	901	3.22%
Total Capital Maintenance	82,855	3,115	673	86,643	50,388	5,523	58.16%	48,915	60.99%	80,199	1,473	3.01%
Community Service												
Housing	689	196	134	1,019	138	340	13.54%	205	29.62%	692	(67)	-32.68%
Library	33,252	159	41	33,452	19,120	2,971	57.16%	17,722	55.35%	32,017	1,398	7.89%
Planning, Bldg & Code Enf.	57,714	(57)	2,072	59,729	30,681	2,572	51.37%	29,804	61.41%	48,529	877	2.94%
Parks, Rec & Neigh Svcs	79,151	1,360	547	81,058	47,593	3,906	58.71%	44,989	59.78%	75,255	2,604	5.79%
Environmental Services	3,064	208	(3)	3,269	1,814	520	55.49%	1,548	55.54%	2,787	266	17.18%
Total Community Services	173,870	1,866	2,791	178,527	99,346	10,309	55.65%	94,268	59.18%	159,280	5,078	5.39%
Total Dept. Expenditures	1,002,771	21,416	10,748	1,034,935	603,802	30,198	58.34%	574,641	61.19%	939,125	29,161	5.07%

(1) Does not include encumbrance balance.

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

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE
	FY 2018-2019	BUDGET		FY 2018-2019	ACTUAL (*)	ENCUMBR	ACTUAL %	YTD	OF PRIOR		ACTUAL	PRIOR YTD
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL (*)	ENCUMBR	OF BUDGET	ACTUAL (1)(*)	ACTUAL	ACTUAL (1)(*)	ACTUAL (1)	ACTUAL
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop.	17,707	1,547	5,307	24,561	8,925	7,125	36.34%	8,831	34.18%	25,835	94	1.06%
Environmental & Utility Services	1,386	1,221	141	2,748	1,326	210	48.25%	1,278	63.71%	2,006	48	3.76%
Public Safety	19,728	3,884	1,666	25,278	13,361	58	52.86%	13,948	64.01%	21,792	(587)	-4.21%
Recreation & Cultural Services	10,052	964	602	11,618	5,357	1,501	46.11%	4,969	52.45%	9,474	388	7.81%
Transportation Services	3,499	(41)	-	3,458	1,759	74	50.87%	1,316	44.38%	2,965	443	33.66%
Strategic Support	43,000	164,977	4,199	212,176	142,174	5,048	67.01%	129,121	55.75%	231,602	13,053	10.11%
Total City-wide Expenditures	95,372	172,552	11,915	279,839	172,902	14,016	61.79%	159,463	54.30%	293,674	13,439	8.43%
Other Non-Dept Expenditures:												
Capital Improvements	32,535	6,348	14,946	53,829	5,728	15,062	10.64%	19,521	60.24%	32,408	(13,793)	-70.66%
Transfers to Other Funds	38,536	4,573	1,650	44,759	40,459	-	90.39%	32,445	94.46%	34,347	8,014	24.70%
Total Non-Dept Expenditures	166,443	183,473	28,511	378,427	219,089	29,078	57.89%	211,429	58.66%	360,429	7,660	3.62%
Reserves												
Contingency Reserve	36,500	500	-	37,000	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	119,076	12,343	-	131,419	3	-	0.00%	-	0.00%	-	3	0.00%
Total Reserves	155,576	12,843	-	168,419	3	-	0.00%	-	0.00%	-	3	0.00%
Total Uses	1,324,790	217,732	39,259	1,581,781	822,894	59,276	52.02%	786,070	60.49%	1,299,554	36,824	4.68%

(1) Does not include encumbrance balance.

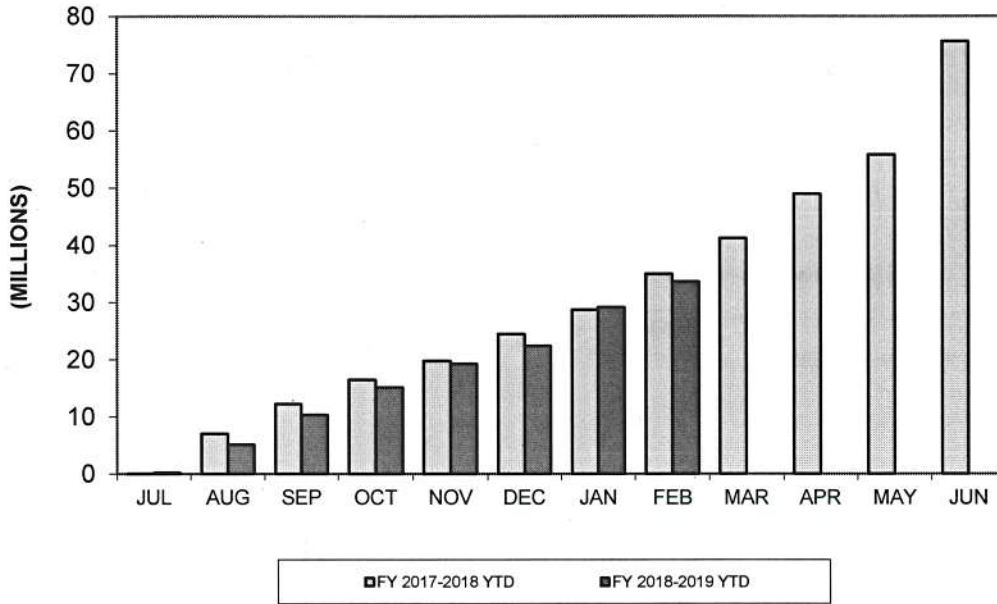
(*) - Current YTD Actual, Prior YTD Actual and Prior Year-End Actual are based on the Generally Accepted Accounting Principles (GAAP) basis in the United States. This results in some variances from the budgetary basis as certain transactions are recognized as revenues or expenditures on a budgetary basis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

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

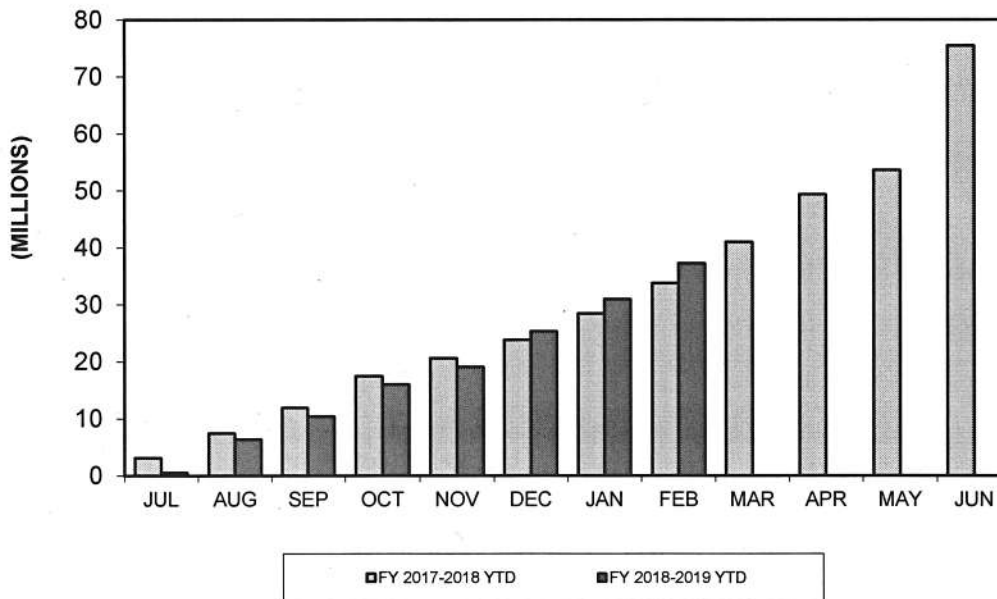
	ADOPTED FY 2018-2019 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2018-2019 BUDGET	CUR YTD ACTUAL (*)	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL (*)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END ACTUAL (*)	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Police	1,381	-	-	1,381	990	71.69%	861	64.40%	1,337	129	14.98%
Public Works	14,084	-	-	14,084	9,963	70.74%	8,136	56.81%	14,321	1,827	22.46%
Transportation	1,712	-	-	1,712	1,376	80.37%	1,237	65.21%	1,897	139	11.24%
Library	332	-	-	332	213	64.16%	375	63.78%	588	(162)	-43.20%
Planning, Bldg & Code Enforcement	8,959	-	-	8,959	4,925	54.97%	4,033	63.69%	6,332	892	22.12%
Parks Rec & Neigh Svcs	22,045	-	-	22,045	14,276	64.76%	14,692	66.73%	22,016	(416)	-2.83%
Miscellaneous Dept Charges	5,347	1,962	-	7,309	3,696	50.57%	2,291	54.39%	4,212	1,405	61.33%
Total Fees, Rates, and Charges	53,860	1,962	-	55,822	35,439	63.49%	31,625	62.37%	50,703	3,814	12.06%

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

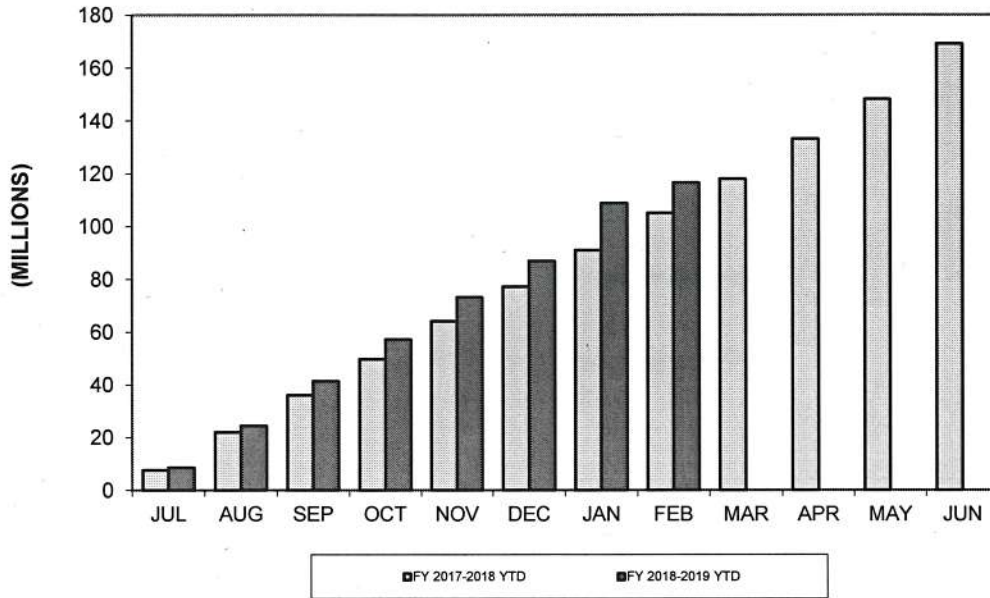
CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Revenues vs. Prior YTD Revenues



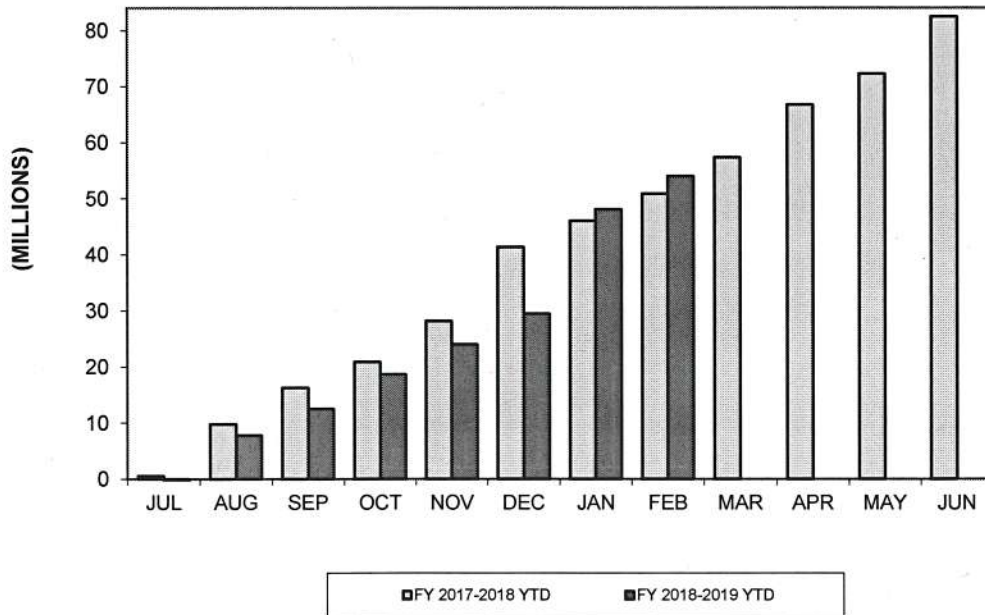
CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Expenditures vs. Prior YTD Expenditures



AIRPORT REVENUE FUND 521
Comparison of YTD Revenues vs. Prior YTD Revenues

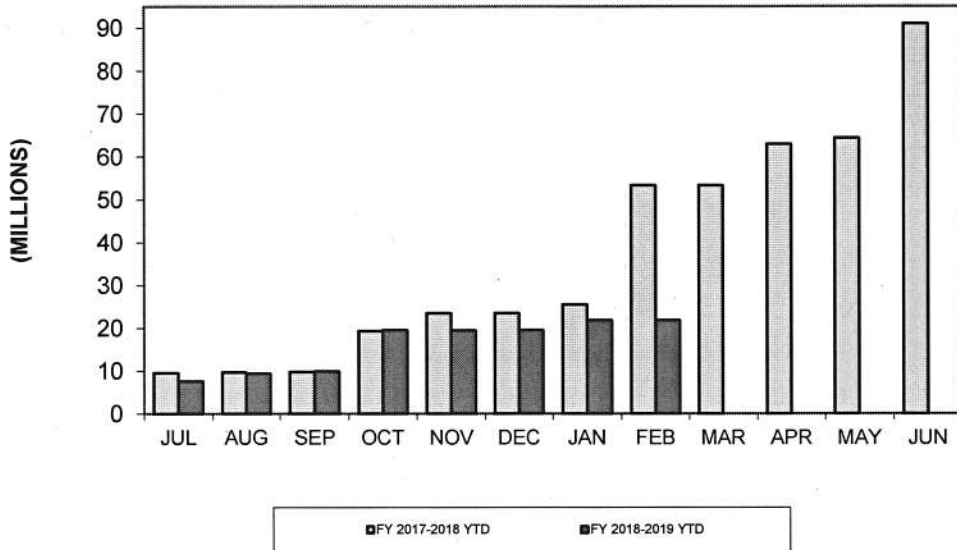


AIRPORT MAINTENANCE & OPERATION FUND 523
Comparison of YTD Expenditures vs. Prior YTD Expenditures

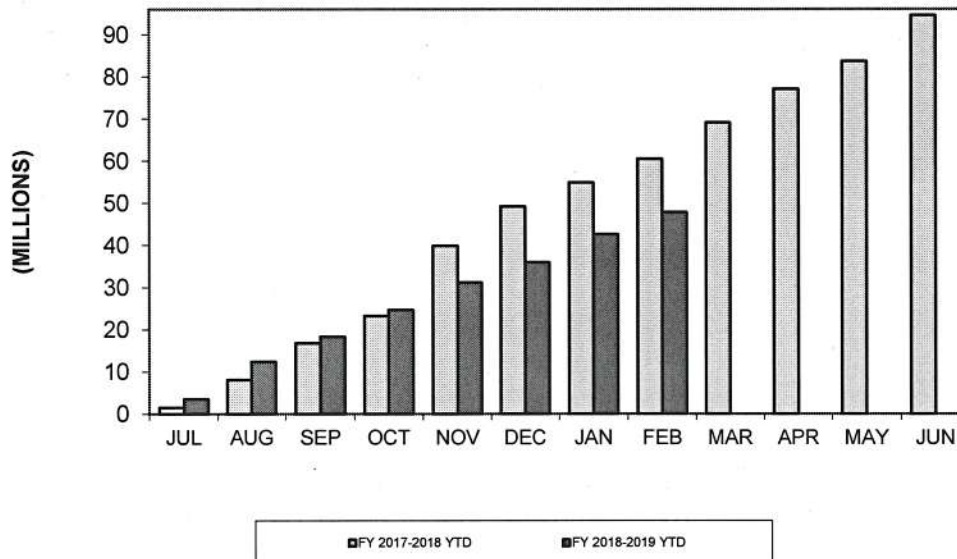


Note: The graphs above include the Airport Revenue Fund (521) and Airport Maintenance & Operation fund (523) only.

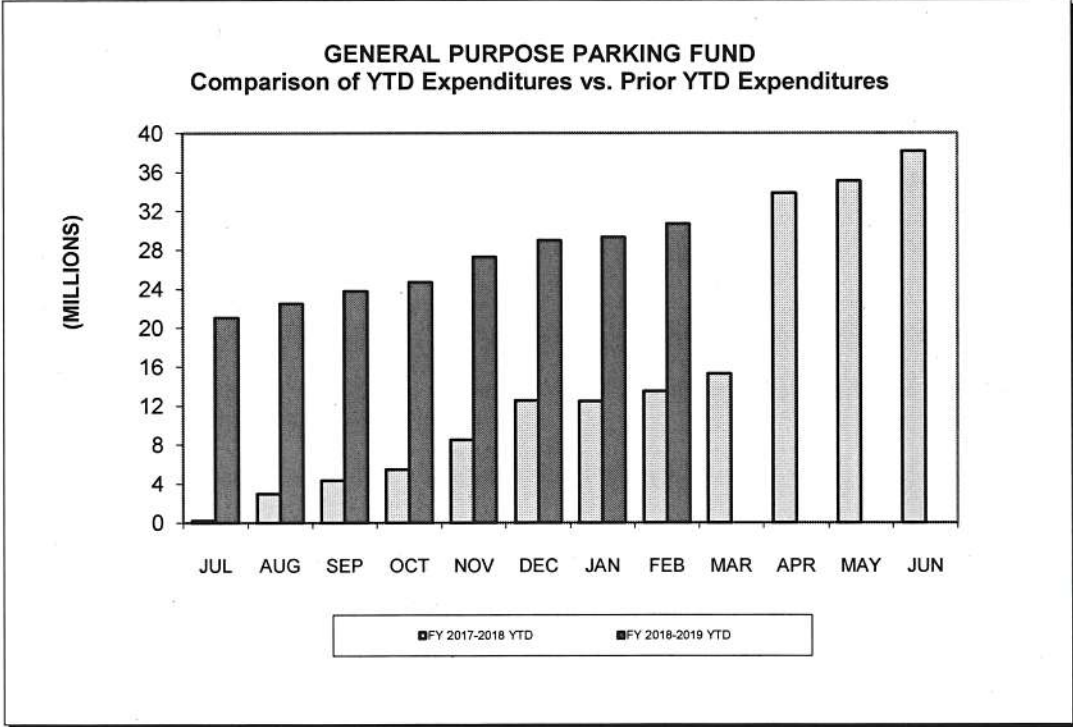
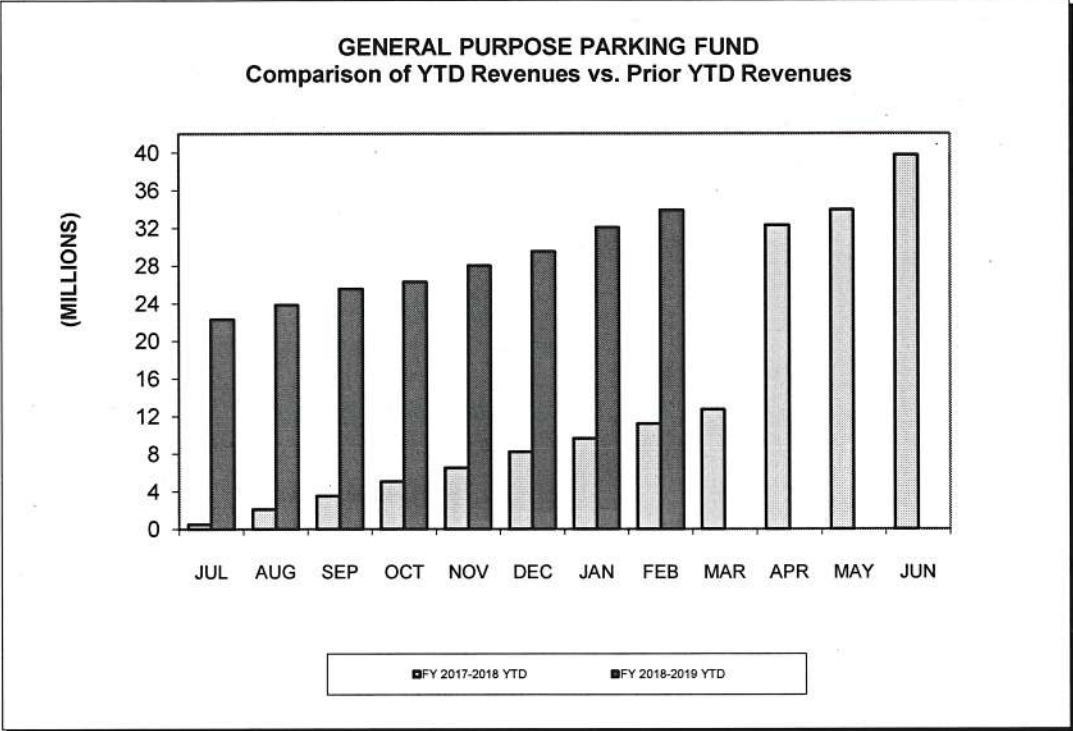
**WPCP OPERATION FUND 513
Comparison of YTD Revenues vs. Prior YTD Revenues**



**WPCP OPERATION FUND 513
Comparison of YTD Expenditures vs. Prior YTD Expenditures**



Note: The graphs above are only for the WPCP Operation Fund (513).



Note: The graphs above include the General Purpose Parking Fund (533) and General Purpose Parking Capital Fund (559). The existing General Purpose Parking (533) have historically been budgeted and jointly reporting both operating and capital activities. To improve transparency and better align budget processes with the deployment of the City's new budget system, General Purpose Parking Capital Fund (559) was newly established in April 2018, separating the corresponding capital project appropriations via transfer to the new fund. The increases in revenue and expenditures are due to the transfer in and out between the two funds.

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$'000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2018-2019 BUDGET	BUDGET AMENDMENTS		FY 2018-2019 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	-	-	10,803	10,803	10,803	-	11,423
Beginning Fund Balance	69,778	7,533	-	77,311	77,311	-	76,180
Revenues	70,760	215	-	70,975	33,659	-	34,974
Total Sources	140,538	7,748	10,803	159,089	121,773	-	122,577
Total Uses	140,538	7,748	10,803	159,089	37,207	14,265	33,786
Airport							
Prior Year Encumbrance	-	-	19,620	19,620	19,620	-	19,711
Beginning Fund Balance	286,078	(9,443)	-	276,635	276,635	-	285,159
Revenues	596,773	(15,294)	-	581,479	326,084	-	252,021
Total Sources	882,851	(24,737)	19,620	877,734	622,339	-	556,891
Total Uses	882,851	(24,737)	19,620	877,734	291,309	64,353	261,799
Waste Water Treatment							
Prior Year Encumbrance	-	-	285,287	285,287	285,287	-	195,221
Beginning Fund Balance	175,626	(49,994)	-	125,632	125,632	-	209,274
Revenues	415,278	75,328	-	490,606	259,518	-	280,769
Total Sources	590,904	25,334	285,287	901,525	670,437	-	685,264
Total Uses	590,903	25,335	285,287	901,525	209,732	276,999	220,006
Parking							
Prior Year Encumbrance	-	-	2,854	2,854	2,854	-	2,939
Beginning Fund Balance	21,869	10,790	-	32,659	32,659	-	28,626
Revenues	40,160	27	-	40,187	33,901	-	11,193
Total Sources	62,029	10,817	2,854	75,700	69,414	-	42,758
Total Uses	62,029	10,817	2,854	75,700	30,704	6,453	13,495
Municipal Water							
Prior Year Encumbrance	-	-	2,676	2,676	2,676	-	3,791
Beginning Fund Balance	24,891	1,612	-	26,503	26,503	-	22,785
Revenues	56,090	-	-	56,090	34,673	-	34,527
Total Sources	80,981	1,612	2,676	85,269	63,852	-	61,103
Total Uses	80,982	1,611	2,676	85,269	32,911	3,078	34,019

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2018-2019 BUDGET	BUDGET AMENDMENTS		FY 2018-2019 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Community Energy							
Prior Year Encumbrance	-	-	49	49	49	-	-
Beginning Fund Balance	500	(752)	-	(252)	(252)	-	-
Revenues	137,672	6,047	-	143,719	3,228	-	-
Total Sources	138,172	5,295	49	143,516	3,025	-	-
Total Uses	138,172	5,295	49	143,516	9,701	13,377	236
Gas Tax							
Revenues	17,300	-	-	17,300	8,171	-	8,659
Total Sources	17,300	-	-	17,300	8,171	-	8,659
Total Uses	17,300	-	-	17,300	6,920	-	8,659
Building and Structures							
Prior Year Encumbrance	-	-	9,059	9,059	9,059	-	10,831
Beginning Fund Balance	33,780	8,660	-	42,440	42,440	-	45,814
Revenues	22,171	5,912	-	28,083	16,547	-	19,736
Total Sources	55,951	14,572	9,059	79,582	68,046	-	76,381
Total Uses	55,951	14,572	9,059	79,582	10,679	7,400	26,421
Residential Construction							
Beginning Fund Balance	1,914	134	-	2,048	2,048	-	2,079
Revenues	205	5	-	210	252	-	246
Total Sources	2,119	139	-	2,258	2,300	-	2,325
Total Uses	2,119	139	-	2,258	30	-	363
Transient Occupancy Tax							
Prior Year Encumbrance	-	-	832	832	832	-	642
Beginning Fund Balance	3,660	4,103	-	7,763	7,763	-	7,810
Revenues	29,368	-	-	29,368	16,779	-	15,682
Total Sources	33,028	4,103	832	37,963	25,374	-	24,134
Total Uses	33,028	4,103	832	37,963	18,455	3,099	18,374
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	322	322	322	-	2,686
Beginning Fund Balance	9,603	2,458	-	12,061	12,061	-	13,173
Revenues	25,824	46,583	-	72,407	22,480	-	7,453
Total Sources	35,427	49,041	322	84,790	34,863	-	23,312
Total Uses	35,427	49,041	322	84,790	24,913	884	7,541

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2018-2019 BUDGET	BUDGET AMENDMENTS		FY 2018-2019 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Golf							
Beginning Fund Balance	307	331	-	638	638	-	206
Revenues	3,138	-	-	3,138	3,047	-	3,139
Total Sources	3,445	331	-	3,776	3,685	-	3,351
Total Uses	3,445	331	-	3,776	2,657	-	2,540
Other Funds							
Prior Year Encumbrance	-	-	36,215	36,215	36,215	-	40,343
Beginning Fund Balance	334,033	59,598	-	393,631	393,631	-	344,662
Revenues	441,185	(19,798)	-	421,387	327,819	-	319,562
Total Sources	775,218	39,800	36,215	851,233	757,665	-	704,567
Total Uses	775,218	39,800	36,215	851,233	232,543	116,784	241,853

**CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2018-2019 BUDGET	BUDGET AMENDMENTS		FY 2018-2019 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Construction Excise							
Prior Year Encumbrance	-	-	44,072	44,072	44,072	-	24,912
Beginning Fund Balance	64,483	18,325	-	82,808	82,808	-	83,442
Revenues	115,333	1,680	-	117,013	44,734	-	46,641
Total Sources	179,816	20,005	44,072	243,893	171,614	-	154,995
Total Uses	179,816	20,005	44,072	243,893	51,181	22,237	34,491
Other							
Prior Year Encumbrance	-	-	7,939	7,939	7,939	-	383
Beginning Fund Balance	17,242	3,067	-	20,309	20,309	-	32,157
Revenues	9,273	-	-	9,273	435	-	488
Total Sources	26,515	3,067	7,939	37,521	28,683	-	33,028
Total Uses	26,515	3,067	7,939	37,521	4,744	3,246	612

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE MONTHS ENDED FEBRUARY 28, 2019
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2018-2019	BUDGET		FY 2018-2019	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Trust and Agency							
Prior Year Encumbrance	-	-	171	171	171	-	39
Beginning Fund Balance	7,547	1,376	-	8,923	8,923	-	8,651
Revenues	4,178	759	-	4,937	4,845	-	3,172
Total Sources	11,725	2,135	171	14,031	13,939	-	11,862
Total Uses	11,725	2,135	171	14,031	1,241	1,947	618