

**Capital Funds Recommended Budget Adjustments Summary  
2018-2019 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Airport Capital Improvement Fund (520)</b>			
Perimeter Security Projects	Airport	\$4,000,000	
<p>This action establishes the Perimeter Security Projects appropriation in the amount of \$4.0 million to implement perimeter security enhancements such as video cameras, analytics software, and fence sensors at the airport. The timing and completion of this project are contingent upon the receipt of grant funding from the Federal Aviation Administration (FAA). An offsetting action to recognize Revenue from the Federal Government is recommended elsewhere in this report.</p>			
Revenue from the Federal Government (Perimeter Security Projects)	Airport		\$4,000,000
<p>This action recognizes Revenue from the Federal Government in the amount of \$4.0 million to implement perimeter security enhancements such as video cameras, analytics software, and fence sensors at the airport. The timing and completion of this project are contingent upon the receipt of grant funding from the FAA. An offsetting action to establish the Perimeter Security Projects appropriation is recommended elsewhere in this report.</p>			
<b>Airport Capital Improvement Fund (520) TOTAL</b>		<b>\$4,000,000</b>	<b>\$4,000,000</b>
<b>Airport Renewal and Replacement Fund (527)</b>			
Advanced Planning	Airport	\$535,000	
<p>This action increases the Advanced Planning appropriation by \$535,000 (from \$1.3 million to \$1.8 million) to fund consulting services that will help develop environmental compliance, Americans with Disabilities Act (ADA), and geometric design studies. This funding will be needed in the second half of the fiscal year to support planning needs for projects currently in progress. A corresponding decrease to the Terminal Facility Gap Plan project to offset this action is recommended elsewhere in this report.</p>			
Airfield Geometric Study/Airport Layout Plan Update	Airport	\$110,000	
<p>This action establishes the Airfield Geometric Study/Airport Layout Plan Update appropriation in the amount of \$110,000 to fund the assessment and subsequent improvements to the airfield geometry to maximize safety and compliance with Federal Aviation Administration (FAA) regulations and design standards. As this project was previously funded by the Airport Revenue Bond Improvement Fund, this action allows for previously encumbered contract amounts to be paid from the Airport Renewal and Replacement Fund, thereby freeing up bond money for other uses. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p>			
Ending Fund Balance Adjustment	Finance		\$(1,166,000)
<p>This action reduces the Ending Fund Balance to offset the actions recommended elsewhere in this report.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Airport Renewal and Replacement Fund (527)</b>			
Network Replacement	Airport	\$756,000	
<p>This action increases the Network Replacement project by \$756,000 (from \$3.9 million to \$4.7 million) to accelerate networking equipment purchases that will result in overall project savings. This project replaces the Airport's network and wireless infrastructure in the Airport terminal, working areas, and public spaces. The network equipment is obsolete and does not support the latest technology. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p>			
Stormwater Compliance – North Trash Yard Canopy	Airport	\$(100,000)	
<p>This action decreases the Stormwater Compliance – North Trash Yard Canopy project by \$100,000 (from \$300,000 to \$200,000) to reallocate project savings to establish the Terminal A Generator and Fuel Tank Retirement.</p>			
Terminal A Generator and Fuel Tank Retirement	Airport	\$100,000	
<p>This action establishes the Terminal A Generator and Fuel Tank Retirement in the amount of \$100,000. Aging fuel storage tanks at Terminal A that support one of the existing generators require frequent repair to prevent failures, resulting in increased costs and potential environmental damages from leaks. As another existing generator can accommodate the necessary electrical load, this funding allows for the retirement of the old generator and close out of its corresponding underground fuel tanks. A corresponding decrease to the Stormwater Compliance - North Trash Yard Canopy project to offset this action is recommended elsewhere in this report.</p>			
Terminal Building Modifications	Airport	\$300,000	
<p>This action increases the Terminal Building Modifications project by \$300,000 (from \$487,000 to \$787,000) to accelerate the replacement of a Terminal A fire pump, modify the Airport's fire alarm system, and refinish terrazzo flooring in Terminal B. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p>			
Terminal Facility Gap Plan	Airport	\$(535,000)	
<p>This action decreases the Terminal Facility Gap Plan project by \$535,000 (from \$1.2 million to \$700,000) to reallocate project savings to the Advanced Planning appropriation for consultant services that will help develop environmental compliance, Americans with Disabilities Act (ADA), and geometric design studies. The planned construction of a remote hold room south of Terminal B with connector bridges to Terminal B to allow passengers to move between Terminal B and the Interim Facility eliminates the need for several components of the Terminal Facility Gap Plan, resulting in \$535,000 in project savings. A corresponding increase to the Advanced Planning appropriation to offset this action is recommended elsewhere in this report.</p>			
<b>Airport Renewal and Replacement Fund (527) TOTAL</b>			

**Capital Funds Recommended Budget Adjustments Summary  
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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Building and Structure Construction Tax Fund (429)</b>			
Access and Mobility Plan	Transportation	\$600,000	
<p>This action establishes the Access and Mobility Plan appropriation in the amount of \$600,000 to fund the Mobility Plan Tool project (total project cost \$675,000). The Access and Mobility Plan is a city-wide transportation strategy and modeling exercise for delivery on the City's Vehicle Miles Traveled (VMT) reduction and transportation mode change goals. A corresponding decrease to Transportation Forecasting and Analysis appropriation by \$525,000 - where funding for the Mobility Plan Tool project was originally earmarked - is recommended in this report to partially offset this action. Actions in this report also allocate \$75,000 to the Access and Mobility Plan from the Construction Excise Tax Fund.</p>			
Autumn Street Extension	Transportation	\$72,000	
<p>This action increases the Autumn Street Extension appropriation by \$72,000 (from \$2,806,000 to \$2,878,000) to allocate revenue received from properties the City previously purchased as part of the project to extend Autumn Street Parkway from Julian St. to Santa Clara St. Rental revenue is used to reimburse utility payments the City has made for the properties. A corresponding increase to the estimate for Other Revenue is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(75,000)	
<p>This action decreases Ending Fund Balance to offset the actions in this report.</p>			
Fees, Rates, and Charges (Traffic Signal Improvement Program)	Transportation		\$26,346
<p>This action establishes the estimate for Fees, Rates and Charges in the amount of \$26,000 for Traffic Signal Controller Fee Collections received from developers. These funds will be used for traffic signal improvements. A corresponding increase to the Traffic Signal Improvement Program appropriation is recommended in this report to offset this action.</p>			
Other Revenue (Autumn Street Extension)	Transportation		\$72,000
<p>This action increases the estimate for Other Revenue by \$72,000 (from \$3.8 million to \$3.9 million) to recognize and allocate revenue received from rental properties the City previously purchased as part of the project to extend Autumn Street Parkway from Julian St. to Santa Clara St. The properties were purchased for the Autumn Street Extension project. A corresponding increase the Autumn Street Extension project is recommended in this report to offset this action.</p>			

**Capital Funds Recommended Budget Adjustments Summary  
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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Building and Structure Construction Tax Fund (429)</b>			
Traffic Signal Improvement Program	Transportation	\$26,346	
<p>This action increases the Traffic Signal Improvement Program appropriation by \$26,000 (from \$872,000 to \$898,000) to allocate Traffic Signal Controller Fees received from developers that must be spent on traffic signal improvements. A corresponding increase to the estimate for Fees, Rate and Charges is recommended in this report to offset this action.</p>			
Transportation Data, Forecasting and Analysis	Transportation	\$(525,000)	
<p>This action decreases the Transportation Forecasting and Analysis appropriation by \$525,000 (from \$748,000 to \$223,000) and reallocates the funding to a new appropriation for the Access and Mobility Plan recommended in this report. Funding of \$525,000 was previously earmarked within the Transportation Data, Forecasting and Analysis project for the Mobility Plan Tool project. The Access and Mobility Plan is a city-wide transportation strategy and modeling exercise for delivery on the City's Vehicle Miles Traveled (VMT) reduction and transportation mode change goals. Actions in this report also reallocate \$75,000 within the Construction Excise Tax Fund to the Access and Mobility Plan for a total project budget of \$675,000.</p>			
<b>Building and Structure Construction Tax Fund (429) TOTAL</b>		<b>\$98,346</b>	<b>\$98,346</b>

**Construction Excise Tax Fund (465)**

Access and Mobility Plan	Transportation	\$75,000
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This action establishes the Access and Mobility Plan appropriation in the amount of \$75,000 to fund the Mobility Plan Tool project (total project cost of \$675,000). The Access and Mobility Plan is a city-wide transportation strategy and modeling exercise for delivery on the City's Vehicle Miles Traveled (VMT) reduction and mode change goals. A corresponding decrease to the Transportation Forecasting and Analysis appropriation of \$75,000, where funding for the Mobility Plan Tool project was previously earmarked, is recommended in this report to offset this action. Actions in this report also allocate \$600,000 to the Access and Mobility Plan from the Building and Structure Construction Tax Fund.

ADA Sidewalk Accessibility Program	Transportation	\$160,000
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This action increases the ADA Sidewalk Accessibility appropriation by \$160,000 (from \$1.1 million to \$1.2 million) to allocate additional resources for the 2019 construction year. While a decrease to the Ending Fund Balance offsets this action, the fund balance will ultimately be replenished by liquidating a prior year carry-over encumbrance of the same amount from a contract associated with the 2018 ADA Sidewalk Access Ramp program.

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Bicycle and Pedestrian Facilities	Transportation	\$113,000	
<p>This action increases the Bicycle and Pedestrian Facilities appropriation by \$113,000 (from \$2.4 million to \$2.5 million) to provide additional funding to develop and construct sidewalks, crosswalks, and bikeways. This action is offset by a payment from the Valley Transportation Authority for the City's participation in the Bay Area Bike Share Program.</p>			
Capital Program & Public Works Department Support Service Costs	Public Works	\$390,000	
<p>This action increases the Capital Program and Public Works Support Service Costs appropriation by \$390,000 (from \$764,000 to \$1.2 million) to support higher than anticipated direct labor and professional services cost incurred by the Public Works Department for project support during 2018-2019. A corresponding decrease to Ending Fund Balance is recommended in this report to offset this action.</p>			
Developer Contributions (Fiber Optics Engineering)	Public Works		\$250,000
<p>This action increases the estimate for Developer Contributions by \$250,000 to account for the high volume of fiber optic communication permit projects in the first four months of 2018-2019. A corresponding increase to the Fiber Optics Permit Engineering appropriation is recommended in this report to offset this action.</p>			
Developer Contributions (Miscellaneous Street Improvements)	Public Works		\$21,000
<p>This action increases the estimate for Developer Contributions by \$21,000 to recognize a contribution from the developer of the 598 1st Street project for the design of a signal modification project at South Market and East Reed Streets. A corresponding increase to the Miscellaneous Street Improvements appropriation is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(2,723,300)	
<p>This action decreases Ending Fund Balance to offset the actions in this report.</p>			
Evergreen Traffic Impact Fee Reserve	Transportation	\$343,438	
<p>This action increases the Evergreen Traffic Impact Fee Reserve by \$343,438 (from \$4.2 million to \$4.6 million) for revenues received from the following developers: Hunter Properties (\$90,184); Oakmont of San Jose, LLC (\$85,329); and SCW Aborn, LLC (\$167,925). A corresponding increase to the estimate for Fees, Rates and Charges is recommended in this report to offset this action.</p>			
Fees, Rates, and Charges (Evergreen Traffic Impact Fees)	Transportation		\$343,438
<p>This action establishes an estimate for Fees, Rates and Charges by \$343,438 for Evergreen Traffic Impact Fees received from the following developers: Hunter Properties (\$90,184); Oakmont of San Jose, LLC (\$85,329); and SCW Aborn, LLC (\$167,925). A corresponding increase to the Evergreen Traffic Impact Fee Reserve is recommended in this report to offset this action.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Fiber Optics Permit Engineering	Transportation	\$250,000	
<p>This action increases the Fiber Optics Permit Engineering appropriation by \$250,000 (from \$204,000 to \$454,000) to account for the high volume of fiber optic communication permit projects in the first four months of 2018-2019. The City installs fiber optic infrastructure in the right-of-way at the request of companies and is reimbursed. A corresponding action to increase the estimate for Developer Contributions is recommended in this report.</p>			
Miscellaneous Street Improvements	Transportation	\$21,000	
<p>This action increases the Miscellaneous Street Improvements appropriation by \$21,000 (from \$326,000 to \$347,000) to fund the design portion of a signal modification project at South Market and East Reed Streets. A developer contribution in the amount of \$21,000 was received from the developer of the 598 1st Street project for a signal modification or other multi-modal enhancements on Market Street close to the development project. A corresponding increase to the estimate for Developer Contributions is recommended in this report to offset this action.</p>			
North San Jose Improvements - Route 101/Zanker	Transportation	\$300,000	
<p>This action increases North San Jose Improvements - Route 101/Zanker appropriation by \$300,000 (from \$2.8 million to \$3.1 million) to fund \$100,000 for staff support to administer an environmental study that is being managed by the Valley Transportation Authority and \$200,000 for public right-of-way to be acquired by the City along Bering Drive. A corresponding decrease to the North San Jose Traffic Impact Fee Reserve is recommended in this report to offset this action.</p>			
North San Jose Traffic Impact Fees Reserve	Transportation	\$(300,000)	
<p>This action decreases the North San Jose Traffic Impact Fees Reserve by \$300,000 (from \$20.4 million to \$20.1 million) to fund \$100,000 for staff support to administer an environmental study that is being managed by the Valley Transportation Authority and \$200,000 for public right-of-way to be acquired by the City along Bering Drive. A corresponding increase to the North San Jose Improvements - Route 101/Zanker project is recommended to offset this action.</p>			
Other Revenue (Insurance Reimbursement)	Transportation		\$192,700
<p>This action establishes an estimate for Other Revenue in the amount of \$192,700 for an insurance company reimbursement for a bucket truck that was recently destroyed in a fire. Corresponding increases to the Signal and Lighting Vehicle Replacement project (\$65,000) and Ending Fund Balance (\$127,700) is recommended in this report to offset the revenue action.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Pavement Maintenance - City	Transportation	\$1,674,000	
<p>This action provides for a net increase to the Pavement Maintenance - City appropriation of \$1.7 million (from \$5.5 million to \$7.2 million) to account for the following actions: allocation of revenue from CalRecycle for a rubberized pavement grant in the amount of \$350,000; allocation of a reimbursement from Santa Clara County in the amount of \$265,000 for pavement resurfacing of Bascom Ave between City and County maintained road segments; allocation of \$1.7 million of prior year encumbrances for pavement maintenance contracts with unused balances going towards 2019 construction year projects; and reallocation of \$600,000 from the Pavement Maintenance - City to the Pavement Maintenance - Complete Street Project Development appropriation to fund the repair of traffic detection cameras at six intersections (\$150,000) and installation of complete streets infrastructure as part of Almaden/Vine Downtown Couplet project (\$450,000). Corresponding actions to increase the estimates for Revenue from State of California and Revenue from Local Agencies, increase the Pavement Maintenance - Complete Street Project Development appropriation, and decrease Ending Fund Balance are recommended in this report to offset this action.</p>			
Pavement Maintenance - Complete Street Project Development	Transportation	\$600,000	
<p>This action increases the Pavement Maintenance - Complete Street Project Development appropriation by \$600,000 (from \$2.6 million to \$3.2 million) for repair of signal detection cameras at six intersections (\$150,000) and for installation of complete streets infrastructure as part of the Almaden/Vine Downtown Couplet project (\$450,000). A corresponding decrease to the Pavement Maintenance - City appropriation is recommended in this report to offset this action.</p>			
Pavement Maintenance - SB1 Road Repair & Accountability Act 2017	Transportation	\$(704,000)	
<p>This action decreases the Pavement Maintenance - SB1 Road Repair and Accountability Act 2017 appropriation by \$704,000 (from \$18.8 million to \$18.1 million) due to a reduction in the allocation to cities and counties. The latest estimates from the State of California are lower than the original estimate because of lower than predicted fuel consumption. A corresponding decrease to the estimate for Revenue from the State of California is recommended in this report to offset this action.</p>			
Pavement Maintenance - State Gas Tax	Transportation	\$(4,291,000)	
<p>This action decreases the Pavement Maintenance - State Gas Tax appropriation by \$4.3 million due to a reduction in the State Gas Tax allocation to cities and counties. The latest estimates from the State of California are lower than the original estimate because the State Department of Finance did not adjust the Section 2103 variable gas tax rate as anticipated. Senate Bill 1 removed the discretionary rate setting role over Section 2103 variable rate; as a result, the 2019-2020 Gas Tax allocation is expected to return to approximately \$8 million. A corresponding decrease to the estimate for Revenue from the State of California is recommended in this report to offset this action.</p>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Pavement Maintenance - VTA Measure B VRF	Transportation	\$1,217,160	
<p>This action increases the Pavement Maintenance - VTA Measure B VRF appropriation by \$1.2 million by allocating revenue received in excess of the 2018-2019 Adopted revenue estimate (\$575,160) and as a result of liquidating encumbrances for pavement maintenance contracts that have unused balances (\$642,000). The liquidated funds will be used for 2019 construction year projects. Corresponding actions to increase the estimate for Revenue from Local Agencies and decrease the Ending Fund Balance are recommended in this report to offset this action.</p>			
Revenue from Local Agencies	Transportation		\$378,000
<p>This action increases the estimate for Revenue from Local Agencies by \$378,000 to recognize revenue from the Valley Transportation Authority for the City's participation in the Bay Area Bike Share Pilot Program (\$113,000) and a reimbursement from Santa Clara County for pavement resurfacing of Bascom Avenue between City and County maintained road segments (\$265,000). Corresponding increases to the Pavement Maintenance - City (\$265,000) and Bicycle and Pedestrian Facilities (\$113,000) are recommended in this report to offset the revenue actions.</p>			
Revenue from Local Agencies (Pavement Maintenance - Measure B)	Transportation		\$575,160
<p>This action increases the estimate for Revenue from Local Agencies by \$575,160 (from \$5.9 million to \$6.5 million) for VTA Measure B VRF revenue received in excess of the 2018-2019 estimate. A corresponding increase to the Pavement Maintenance - VTA Measure B VRF appropriation is recommended in this report to offset this action.</p>			
Revenue from State of California (CalRecycle Rubberized Pavement Grant)	Transportation		\$350,000
<p>This action increases the estimate for Revenue from State of California by \$350,000 to recognize receipt of a rubberized pavement grant from CalRecycle. A corresponding increase to the Pavement Maintenance - City appropriation is recommended in this report to offset this action.</p>			
Revenue from State of California (Pavement Maintenance - SB1 Road Repair & Accountability Act 2017).	Transportation		\$(704,000)
<p>This action decreases the estimate for Revenue from State of California by \$704,000 due to a reduction in the allocation of SB1 revenue to cities and counties. The latest estimates from the State of California are lower than the original estimate because of lower than predicted fuel consumption. A corresponding decrease to the Pavement Maintenance - SB1 Road Repair and Accountability Act 2017 appropriation is recommended in this report to offset this action.</p>			



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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Construction Excise Tax Fund (465)</b>			
Revenue from State of California (Pavement Maintenance - State Gas Tax).	Transportation		\$(4,291,000)

This action decreases the estimate for Revenue from State of California by \$4.3 million (from \$8.0 million to \$3.7 million) due to a reduction in the State Gas Tax allocation to cities and counties. The latest estimates from the State of California are lower than the original estimate because the State Department of Finance did not adjust the Section 2103 variable gas tax rate as anticipated. Senate Bill 1 removed the discretionary rate setting role over Section 2103 variable rate; as a result, the 2019-2020 Gas Tax allocation is expected to return to approximately \$8 million. A corresponding decrease to the Pavement Maintenance - State Gas Tax appropriation is recommended in this report to offset this action.

Signal and Lighting Vehicle Replacement	Transportation	\$65,000	
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This action increases the Signal and Lighting Vehicle Replacement appropriation by \$65,000 (from \$618,000 to \$683,000) to fully fund the replacement of a bucket truck that was recently destroyed in a fire. The existing allocation will also be used to partially fund the replacement, which has a total cost of approximately \$250,000. Actions to recognize insurance proceeds of \$192,700 described elsewhere provides funding for the truck replacement and allocates the remaining amount of \$127,700 to Ending Fund Balance.

Transportation Data, Forecasting and Analysis	Transportation	\$(75,000)	
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This action decreases the Transportation Data, Forecasting and Analysis appropriation by \$75,000 (from \$748,000 to \$673,000) and reallocates the funding to a new appropriation for the Access and Mobility Plan recommended in this report. Funding of \$75,000 was previously earmarked within the Transportation Data, Forecasting and Analysis project for the Mobility Plan Tool project. The Access and Mobility Plan is a city-wide transportation strategy and modeling exercise for delivery on the City's Vehicle Miles Traveled (VMT) reduction and mode change goals. Actions in this report also reallocate \$525,000 within the Building and Structure Construction Tax Fund to the Access and Mobility Plan for a total project budget of \$675,000.

<b>Construction Excise Tax Fund (465) TOTAL</b>		<b>\$(2,884,702)</b>	<b>\$(2,884,702)</b>
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**Convention and Cultural Affairs Capital Fund (560)**

Capital Reserve	Office of Economic Development	\$1,635,000	
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This action decreases the Capital Reserve by \$1,635,000 (from \$2,500,000 to \$865,000) to fund the cultural facilities capital projects recommended elsewhere in this report.

**Capital Funds Recommended Budget Adjustments Summary  
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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Convention and Cultural Affairs Capital Fund (560)</b>			
Center for Performing Arts Rehabilitation	Public Works	\$50,000	
<p>This action increases funding for the Center for Performing Arts (CPA) Rehabilitation project by \$50,000 (from \$100,000 to \$150,000) for improvements to the patio area and installation of an ADA-compliant ramp, as well as yard expansion. Funding also supports Public Works and consultant engineering costs to examine the feasibility and phasing of further improvements to the CPA. A corresponding decrease to the Capital Reserve is recommended elsewhere in this report to offset this action.</p>			
Rehabilitation/Repair - Electrical	Office of Economic Development	\$982,000	
<p>This action increases funding for Rehabilitation / Repair - Electrical projects by \$982,000 (from \$1,565,000 to \$2,547,000) to: replace the current point-of-sale system supporting transactions at the San José McEnery Convention Center and other cultural facilities (\$300,000); install single mode fiber optic cabling to 35 existing floor boxes as part of a phased installation (\$250,000), add 22 CCTV cameras and an intercom system targeting security risk areas, and update 33 digital wayfinding monitors and computers at the San José McEnery Convention Center (\$100,000); replace the projector and three lenses in advance of the Cinequest Film Festival (\$100,000), cover additional scope for the cost of wiring and circuits for digital signage at the California Theatre (\$20,000), and add 2 CCTV cameras to the concession area (\$10,000); replace the battery for the UPS back up lighting system (\$29,000) and add 4 CCTV cameras to the concession area (\$28,000) at the Civic Auditorium; and, add 2 CCTV cameras to the concession area at Montgomery Theater (\$10,000). A corresponding decrease to the Capital Reserve is recommended elsewhere in this report to offset this action.</p>			
Rehabilitation/Repair - Mechanical	Office of Economic Development	\$149,000	
<p>This action increases funding for Rehabilitation / Repair - Mechanical projects by \$149,000 (from \$1,703,000 to \$1,852,000) to add shelving for hanging tables and chairs (\$60,000), replace an outdated forklift (\$45,000), and purchase terrazo floor cleaning equipment (\$44,000) for the San José McEnery Convention Center. A corresponding decrease to the Capital Reserve is recommended elsewhere in this report to offset this action.</p>			
Rehabilitation/Repair - Miscellaneous	Office of Economic Development	\$106,000	
<p>This action increases funding for Rehabilitation / Repair - Miscellaneous projects by \$106,000 (from \$187,000 to \$293,000) to replace old tile flooring in the dressing room which has exceeded its useful life (\$50,000) and add curtains to the balcony area (\$10,000) at the Center for Performing Arts, and to purchase an additional 92 new keys for the new cyber lock system at the San José McEnery Convention Center (\$46,000). A corresponding decrease to the Capital Reserve is recommended elsewhere in this report to offset this action.</p>			

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<b>Convention and Cultural Affairs Capital Fund (560)</b>			
Rehabilitation/Repair - Structures	Office of Economic Development	\$332,000	
<p>This action increases funding for Rehabilitation/Repair - Structures projects by \$332,000 (from \$630,000 to \$962,000) to: replace corroded sewer lines (\$117,000), provide access from the parking level to the Hilton terrace area for potential client use and rental (\$42,500), upgrade the freight access doors from Market St. to facilitate loading (\$42,500), and install additional roof pads to protect roofing for client access and lighting installations (\$35,000) at the San José McEnery Convention Center; engineer and replace the stage proscenium at the Montgomery Theater (\$80,000) and enclose the exterior stairwell to the Montgomery Theater on San Carlos St. (\$15,000).</p>			
San José Civic Auditorium HVAC Replacement	Public Works	\$16,000	
<p>This action increases funding for the San José Civic Auditorium HVAC Replacement project by \$16,000 for additional close-out expenses incurred to complete the project, above the \$50,000 previously rebudgeted as part of the 2017-2018 Annual Report.</p>			
<b>Convention and Cultural Affairs Capital Fund (560) TOTAL</b>			
<b>Council District 10 Construction and Conveyance Tax Fund (389)</b>			
Ending Fund Balance	Finance	\$(50,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
Playa Del Rey Shade Structure	Parks, Recreation and Neighborhood Services	\$50,000	
<p>This action increases the Playa Del Rey Shade Structure appropriation in the amount of \$50,000 (from \$100,000 to \$150,000) as project costs are higher than initially estimated for the installation of a shade structure in an existing picnic area at the Playa Del Rey Park. A corresponding decrease to the Ending Funding Balance is recommended in this report to offset this action.</p>			
<b>Council District 10 Construction and Conveyance Tax Fund (389) TOTAL</b>			
<b>Council District 6 Construction and Conveyance Tax Fund (384)</b>			
Bramhall Park Improvements	Parks, Recreation and Neighborhood Services	\$55,000	
<p>This action increases the Bramhall Park Improvements appropriation in the amount of \$55,000 (from \$20,000 to \$75,000). The additional funding will expedite the construction to be completed in the current fiscal year; construction was originally anticipated to occur in 2019-2020. This project provides funding for the renovation of three existing hardcourts and surrounding pavement at Bramhall Park. A corresponding decrease in the Ending Funding Balance is recommended in this report to offset this action.</p>			
Ending Fund Balance	Finance	\$(55,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
<b>Council District 6 Construction and Conveyance Tax Fund (384) TOTAL</b>			

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<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
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**Fire Construction and Conveyance Tax Fund (392)**

Capital Program and Public Works Department Support Service Costs	Public Works		\$10,000
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This action increases the Capital Program and Public Works Department Support Service Costs appropriation in the amount of \$10,000 (from \$17,000 to \$27,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2018-2019, including the unanticipated installation of a generator at Fire Station 29. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.

Ending Fund Balance Adjustment	Finance		\$(55,000)
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This action decreases the Ending Fund Balance to offset the actions recommended in this report.

Fire Station 37 (Construction) Reserve	Fire		\$(900,000)
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This action decreases the Fire Station 37 (Construction) Reserve by \$900,000 (from \$2,960,000 to \$2,060,000) to provide funding for the Fire Station 37 Construction project recommended in a separate action. This reserve was established in the Fire Construction and Conveyance Tax Fund in 2017-2018 as a result of a funding shift of projects between the Public Safety Bond Fund and the Fire Construction and Conveyance Tax Fund. Given the time constraints on the use of bond funds, Fire Remediation projects were shifted from the Fire Construction and Conveyance Tax Fund to the Public Safety Bond Fund because the projects could be completed. Conversely, the Fire Station 37 project that had been funded by the Public Safety Bond Fund was shifted to a reserve in the Fire Construction and Conveyance Tax Fund as the project was not fully funded. In November 2018, the Disaster Preparedness, Public Safety and Infrastructure Bond (Measure T) passed, providing a new source of funding for the project. Remaining reserves will likely be reallocated to the Fire Station 37 Construction appropriation as part of the 2019-2020 Proposed Capital Budget and 2020-2024 Capital Improvement Program in conjunction with Measure T funding. An action to establish a Fire Station 37 Construction project appropriation is recommended elsewhere in this report.

**Capital Funds Recommended Budget Adjustments Summary  
2018-2019 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Fire Construction and Conveyance Tax Fund (392)</b>			
Fire Station 37 Construction	Fire	\$900,000	
<p>This action establishes an appropriation for the Fire Station 37 Construction project in the amount of \$900,000 for anticipated project feasibility, development, and design costs. The Fire Station 37 project has been on hold since 2016-2017 due to insufficient funding to complete construction and operate the station. Funds were reserved in 2016-2017 and subsequently reallocated to the Fire Construction and Conveyance Tax Fund in 2017-2018 as part of a shift in projects between the Public Safety Bond Fund and the Fire Construction and Conveyance Tax Fund to move projects that could be completed within time constraints for the use of bond funds. Passage of the Disaster Preparedness, Public Safety and Infrastructure Bond (Measure T) in November 2018 provides a source of funding to complete construction. The reallocation of remaining funds in the Fire Station 37 Reserve and programming of Measure T funds will likely be included in the 2019-2020 Proposed Capital Budget and 2020-2024 Capital Improvement Program. A corresponding decrease to Fire Station 37 (Construction) Reserve is recommended elsewhere in this report to offset this action.</p>			
Self-Contained Breathing Apparatus (SCBA) Equipment	Fire	\$45,000	
<p>This action increases the Self-Contained Breathing Apparatus (SCBA) Equipment appropriation by \$45,000 (from \$40,000 to \$85,000) to replace 25 regulators and voice amplifiers used in the firefighter recruit academy. The equipment is dedicated to academy training and typically replaced every three to four years due to wear and tear. Recruits are issued new equipment for use on duty upon completion of the academy. A corresponding decrease to Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>			
<b>Fire Construction and Conveyance Tax Fund (392) TOTAL</b>		\$945,000	
<b>Lake Cunningham Fund (462)</b>			
Lake Cunningham Capital Repairs	Parks, Recreation and Neighborhood Services	\$64,720	
<p>This action increases the Lake Cunningham Capital Repair appropriation in the amount of \$64,720 from (from \$100,000 to \$164,720) to allocate revenue received from Pacific Gas &amp; Electric (PG&amp;E). This PG&amp;E funding supports repairs to the parkstrip along Cunningham Avenue, which was damaged while PG&amp;E employees performed work in the area.</p>			
Other Revenue (Lake Cunningham Capital Repairs)	Parks, Recreation and Neighborhood Services		\$64,720
<p>This action establishes an estimate for Other Revenue to recognize revenue received from Pacific Gas &amp; Electric (PG&amp;E). This revenue supports repairs to the parkstrip along Cunningham Avenue, which was damaged while PG&amp;E employees performed work in the area.</p>			
<b>Lake Cunningham Fund (462) TOTAL</b>		\$64,720	\$64,720

**Capital Funds Recommended Budget Adjustments Summary  
2018-2019 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Major Collectors and Arterials Fund (421)</b>			
Developer Contributions	Public Works		\$155,805
<p>This action increases the estimate for Developer Contributions by \$155,805 for revenues received from developers: Eclectic Investments LLC, \$69,163; and August Ventures LLC, \$86,642. A corresponding increase to Ending Fund Balance is recommended in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$155,805	
<p>This action decreases Ending Fund Balance to offset the action in this report.</p>			
<b>Major Collectors and Arterials Fund (421) TOTAL</b>		<b>\$155,805</b>	<b>\$155,805</b>
<b>Service Yards Construction and Conveyance Tax Fund (395)</b>			
Capital Program and Public Works Department Support Service Costs	Public Works	\$3,000	
<p>This action establishes a Capital Program and Public Works Department Support Costs appropriation in the Service Yards Construction and Conveyance Tax Fund in the amount of \$3,000 to support unanticipated Public Works support costs for Service Yards Capital projects. A corresponding decrease to Ending Fund Balance is recommended elsewhere in this report to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(3,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
<b>Service Yards Construction and Conveyance Tax Fund (395) TOTAL</b>			
<b>Subdivision Park Trust Fund (375)</b>			
Arcadia Softball Facility	Parks, Recreation and Neighborhood Services	\$(144,000)	
<p>This action eliminates the Arcadia Softball Facility appropriation amount of \$144,000 in 2018-2019. Funds were previously spent in the Subdivision Park Trust Fund during 2017-2018 and as a result, these funds are no longer required. The funding allocation in 2018-2019 was made in error. A corresponding increase to the Future PDO/PIO Projects Reserve is recommended elsewhere in this report.</p>			
Capitol Turnkey Park Design Review and Inspection	Parks, Recreation and Neighborhood Services	\$710,000	
<p>This action establishes the Capitol Turnkey Park Design, Review and Inspection project. The Capitol Park is a turnkey project being designed and constructed by a developer to partially fulfill its Parkland Dedication Agreement. Once completed, the new 0.58 acre located at 641 N. Capitol Avenue will include playground, seating areas, a sporting lawn, drinking fountain, bike rack, lighting poles/bollards, walking pathways and other amenities. A corresponding increase to Developer Contributions is recommended elsewhere in this report.</p>			

**Capital Funds Recommended Budget Adjustments Summary  
2018-2019 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Subdivision Park Trust Fund (375)</b>			
Developer Contributions (Capitol Turnkey Park Design Review and Inspection)  This action increases the estimate for Developer Contributions in the amount of \$710,000 from (\$595,000 to \$1,305,000), which is 85% of the Developer Contribution (\$835,140) for the Capitol Turnkey Park Design Review and Inspection project. The remaining 15% (\$125,250) was previously accounted for in the Park Trust Fund Administration appropriation for administrative and staffing costs. The Capitol Park is a turnkey project being designed and constructed by a developer to partially fulfill its Parkland Dedication Agreement. Once completed the new 0.58-acre located at 641 N. Capitol Avenue will include playground seating areas, a sporting lawn, drinking fountain, bike rack, lighting poles/bollards, walking pathways, and other amenities.	Parks, Recreation and Neighborhood Services		\$710,000
Future PDO/PIO Projects Reserve  This action increases the Future PDO/PIO Project Reserve to offset the action recommended in this report.	Parks, Recreation and Neighborhood Services	\$103,000	
Murdock Park Tennis Court Repair  This action establishes the Murdock Park Tennis Court Repair appropriation in the amount of \$41,000 in the Subdivision Park Trust Fund. This project provides funding to repair the cracks on the court and then resurface the tennis court. The total project cost is anticipated to be \$65,000; the remaining \$24,000 will be funded through the City Council Participatory Budgeting Council District #1 appropriation. A corresponding decrease to the Future PDO/PIO Projects Reserve is recommended in this report to offset this action.	Parks, Recreation and Neighborhood Services	\$41,000	
North San Pedro Area Parks Master Plans  This action increases the North San Pedro Area Parks Master Plans appropriation in the amount of \$800,000 in the Subdivision Park Trust Fund. This project provides funding to complete the master planning process for Pellier Park, Bassett Street Park, and North San Pedro Linear Park. The master planning process will be conducted by a consultant and will include completing design development and preparing construction plans for the parks. The funding for this project will also cover the Public Works Project Management cost to review the completed design and construction plans by the consultant. A corresponding decrease to the North San Pedro Area Parks Reserve is recommended in this report to offset this action.	Parks, Recreation and Neighborhood Services	\$800,000	
North San Pedro Area Parks Reserve  This action decreases the North San Pedro Area Parks Reserve by \$800,000 (from \$3,800,000 to \$3,000,000) to fully fund the North San Pedro Area Parks Master Plans project. The North San Pedro Area Parks Master Plans project will complete the master planning process for Pellier Park, Bassett Street Park, and North San Pedro Linear Park. The remaining reserve balance will provide funding for the construction of the project. A corresponding increase to the North San Pedro Area Parks Master Plans appropriation is recommended in this report.	Parks, Recreation and Neighborhood Services	\$(800,000)	
<b>Subdivision Park Trust Fund (375) TOTAL</b>		<b>\$710,000</b>	<b>\$710,000</b>

**Capital Funds Recommended Budget Adjustments Summary  
2018-2019 Year End Budget Review**

<u>Action</u>	<u>Department</u>	<u>Use</u>	<u>Source</u>
<b>Underground Utility Fund (416)</b>			
Capital Program and Public Works Department Support Service Costs	Public Works	\$40,000	
<p>This action increases the Capital Program and Public Works Department Support Service Costs appropriation by \$40,000 (from \$68,000 to \$108,000) to support actual direct labor and professional services costs incurred by the Public Works Department for project support during 2018-2019. More projects included in the Underground Utility Program are anticipated to be supported during 2018-2019 than originally anticipated, causing the overage. A corresponding decrease to the Ending Fund Balance is recommended to offset this action.</p>			
Ending Fund Balance Adjustment	Finance	\$(40,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>			
<b>Underground Utility Fund (416) TOTAL</b>		_____	_____
<b>Water Utility Capital Fund (500)</b>			
Infrastructure Improvements	Environmental Services	\$(240,000)	
<p>This action decreases the Infrastructure Improvements appropriation by \$240,000 (from \$1.1 million to \$889,000) to offset the increase in the System Maintenance/Repairs appropriation. Based on year-to-date project activity, year-end savings within the Infrastructure Improvements appropriation is anticipated. An offsetting increase to the System Maintenance/Repairs appropriation is recommended elsewhere in this report.</p>			
System Maintenance/Repairs	Environmental Services	\$240,000	
<p>This action increases the System Maintenance/Repairs appropriation by \$240,000 (from \$909,000 to \$1.1 million) due to the unforeseen volume of emergency repair projects that occurred at the beginning of the fiscal year. An offsetting decrease to the Infrastructure Improvements appropriation is recommended elsewhere in this report.</p>			
<b>Water Utility Capital Fund (500) TOTAL</b>		_____	_____