

# ANNUAL REPORT

SEPTEMBER 2002  
OFFICE OF THE CITY MANAGER

## **2001-2002 ANNUAL REPORT**

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

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

The financial information used in this report represents final, audited 2001-2002 year-end closing figures as of June 30, 2002.

**2001-2002  
ANNUAL REPORT**

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**LETTER OF TRANSMITTAL**

September 30, 2002

**HONORABLE MAYOR AND CITY COUNCIL:**

In accordance with Section 701(F) of the San José City Charter, I hereby transmit to you a report describing the financial status of the City as of the end of the 2001-2002 fiscal year. As specified in the City Charter, the primary focus of the City Manager's Annual Report is a comparison of actual revenue collections and expenditures to projections included in the City's budget.

The Annual Report document is organized into the following sections: Letter of Transmittal, General Fund Performance, and Other Fund Performance. It also includes a large number of recommended actions revising both the 2002-2003 Adopted Operating and Capital budgets. These actions generally fall into three categories: the rebudgeting of prior year funds for projects not completed; the reconciliation of budgeted Beginning Fund Balance amounts in various funds, including the General Fund, with the actual results; and actions to revise budgets to reflect more up to date information.

This Letter of Transmittal is organized to provide the following information: an overview of the 2001-2002 General Fund financial performance; an analysis of the potential impact of that performance on the current year budget, including recommendations for revisions to the 2002-2003 Adopted Budget; and a discussion of the financial status of selected other City funds.

**RECOMMENDATION**

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It is recommended that the City Council approve the following:

- Appropriation Ordinance and Funding Sources Resolution amendments in various funds as detailed in Section III, Appropriation/Clean-Up Adjustment Actions, of this report.
- Adoption of a resolution making certain determinations regarding the expenditure of Redevelopment Agency funds on certain public improvements (as detailed in the Appendix of this report).

## OVERVIEW

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The 2001-2002 fiscal year was clearly the most fiscally challenging year faced by the City in a decade. One year after recording record revenue collections, not only did the previously booming economy of the valley fall abruptly, as the year began, into its most serious recession in 20 years, but the economic downturn was compounded by the events of September 11 which created additional unforeseen fiscal challenges. The impact on those City revenues that are traditionally driven up or down depending on the health of the economy was severe. Some of our most important revenue sources plunged during the year: Sales Tax, Development-related fees and taxes, and business driven taxes such as telephone utility taxes and Commercial Solid Waste fees all fell well below prior year levels. While the severity of the economic downturn was unknowable, its approach was foreseen, and through conservative budgeting, the City was able to be fairly well prepared. But coming immediately on top of the expected impacts of a down economy, the September 11 events helped push our economy into a deeper slowdown than anticipated, and impacted areas of our budget that had not been anticipated. This was most apparent in areas impacted by the collapse of the travel industry such as the Airport, and in hotel occupancy as reflected through collections of Transient Occupancy Taxes.

The positive news contained in this report, in which we should take much pride, is that despite a much worse than anticipated fiscal environment, we ended the year in sound financial condition. Thanks to prudent revenue estimating and sound fiscal policymaking, we were able to avoid significant mid-year budget reductions, and the General Fund ended the year with a surplus that exceeded that budgeted by over \$28 million. Unfortunately, as will be explained below, more than half this must be carried forward to complete unfinished prior year projects and the rest is required to offset declining revenue projections. Most of the \$28 million resulted from savings accrued in the expenditure budget, but even in a year of plummeting revenues, we ended the year above the budgeted revenue level (\$2.2 million). Revenue collections in the General Fund came in within 0.3% of the budgeted estimate – a remarkable performance. All other City funds also ended the year in the black, and with the exception of the Transient Occupancy Tax Fund, close enough to the budgeted estimates to not require corrective action. We weathered a very tough year remarkably well.

Unfortunately, an analysis of year-ending revenue reports reveals bad news for the 2002-2003 Adopted General Fund Budget. As discussed in more detail later in this report, we have concluded that several of the revenue estimates included in the Adopted Budget, most prominently the Sales Tax estimate are too high and need to be adjusted downward. In addition, recent State budget actions will cost us approximately \$1 million. Contained in this report, therefore, are recommendations to use all of the surplus General Fund fund balance monies left after rebudgeting and clean-up actions (\$13.7 million), and a portion of additional revenue that we now know will be available from the sale of surplus property to re-balance the General Fund budget. The remainder of the sale of surplus property (\$10.9 million), per Council policy, is then recommended to be placed in reserve to help close what we know is going to be a very large shortfall facing us in 2003-2004. Decisive action in the face of deteriorating fiscal conditions is what has kept us from falling into the kind of crisis situation that other public agencies have faced recently. It is crucial that we continue to act prudently and quickly in response to changing

## **OVERVIEW (CONT'D.)**

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conditions. We believe the information contained in this report is compelling in creating the case for the early adoption of the revisions recommended. A more detailed description of the results of last year constitutes the remainder of this transmittal letter.

## **2001-2002 GENERAL FUND PERFORMANCE OVERVIEW**

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An analysis of 2001-2002 year-end financial performance indicates that the City generally ended the year close to what was projected and within budget.

General Fund revenue collections were very slightly (\$2.2 million) above the estimate used to develop the 2002-2003 budget. Through the use of the Cost Management Plan process implemented during 2001-2002, as intended, departmental expenditures ended the year well below the budgeted level (3.6% or \$20.4 million). As a result of this performance, the 2001-2002 General Fund Ending Fund Balance of \$190.7 million was approximately \$28.5 million above the Beginning Fund Balance level approved as part of the 2002-2003 Adopted Budget.

Table 1 (below) describes the four principal components of the \$28.5 million fund balance surplus. The surplus amount was composed of a lower beginning fund balance (down \$1.3 million), \$0.564 million in higher than anticipated liquidation of carryover encumbrances, \$2.2 million in excess revenue collections and \$27.1 million in additional expenditures/transfers savings. Close to half of this surplus is recommended to be rebudgeted to complete projects or clean-up problems discovered since the approval of the budget. Those items are discussed in more detail later in this transmittal. As discussed above, the entire amount remaining after these rebudgets are funded (\$13.7) is recommended to be used to offset revenue estimate reductions necessary to re-balance the General Fund budget.

**2001-2002 GENERAL FUND PERFORMANCE OVERVIEW (CONT'D.)**

**Table 1**  
**Results of Operations in the General Fund**  
**For the Year Ended June 30, 2002**  
**(\$000's)**

<i>Sources</i>	1 Revised Budget	2 Year-end Estimate	3 Budgetary Basis Actual	4 Variance 1 to 3	5 Variance 2 to 3
<i>Beginning Fund Balance</i>	248,117	248,117	246,756	(1,361)	(1,361)
<i>Liquidation of Carry-over Encumbrances</i>	-	2,000	2,564	2,564	564
<i>Revenue</i>	658,472	658,472	660,676	2,204	2,204
<i>Totals</i>	906,589	908,589	909,996	3,407	1,407
<i>Uses</i>					
<i>Expenditures</i>	786,544	733,076	706,813	79,731	26,263
<i>Transfers</i>	12,605	12,605	12,512	93	93
<i>Reserves</i>	107,440	713	-	107,440	713
<i>Totals</i>	906,589	746,394	719,325	187,264	27,069
<i>Available Ending Fund Balance</i>	-	162,195	190,671	190,671	28,476

Table 2 below compares the City's financial performance in 2001-2002, as discussed in Table I on the previous page, with the financial performance of the prior year (2000-2001).

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

<i>Sources</i>	2000-2001	2001-2002	Change	% Change
<i>Beginning Fund Balance</i>	197.4	249.3	51.9	26.3%
<i>Revenue</i>	662.5	660.7	(1.8)	(0.3%)
<i>Total Source</i>	859.9	910.0	50.1	5.8%
<i>Uses</i>				
<i>Expenditures</i>	635.7	706.8	71.1	11.2%
<i>Transfers</i>	9.9	12.5	2.6	26.3%
<i>Total Use</i>	645.6	719.3	73.7	11.4%
<i>Available Ending Fund Balance</i>	214.3	190.7	(23.6)	(11.0%)

**2001-2002 GENERAL FUND PERFORMANCE OVERVIEW (CONT'D.)**

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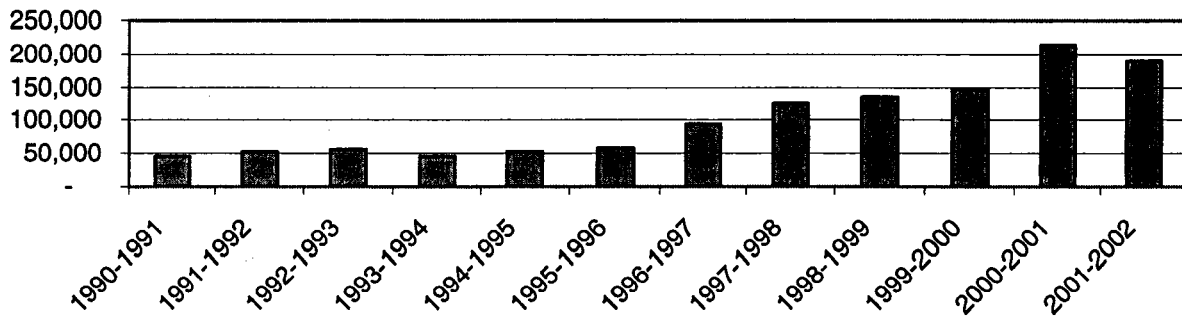
As shown in Table 2, 2001-2002 General Fund revenues of \$660.7 million actually represented a slight decline (-0.3% or -\$1.8 million) from the prior year's record collection level. This is the first actual one year dip in General Fund revenue collections experienced in a decade.

The level of decline from the prior year was due to the combined performance of General Fund Revenue categories. Significant reductions in several categories: Sales Tax (down 18.4%); Transient Occupancy Tax (down 37.6%); Use of Money and Property (down 15.2%); Utility Tax (down 0.8%); Licenses and Permits (down 12.6%); were only partially offset by increases in other categories: Property Tax (up 9.4%); Franchise Fees (up 18.0%); Fines, Forfeitures, and Penalties (up 1.8%); Revenue from Local Agencies (up 23.3%); Revenue from the State of California (up 3.7%); Revenue from the Federal Government (up 39.1%); Departmental Charges (up 2.3%); Other Revenue (up 57.0%); and Transfers and Reimbursements (up 16.8%).

In contrast, General Fund expenditures of \$719.3 million grew significantly, by 11.4% (\$73.7 million), from the prior year expenditure level of \$645.6. This growth was primarily driven by higher expenditures in Personal Services and Capital Contributions. Approximately 44.0% of the expenditure growth (\$32.4 million) represented higher personal services expenditures, reflecting salary and benefit cost increases. An increase in Capital Contributions accounted for 43.4% (\$32.0 million). Remaining growth increases were spread among the Non-Personal/Equipment, City-Wide Expenses, and Transfers categories.

Although the year ended with fund balance higher than budgeted, it should also be noted that in 2001-2002, the City, as planned, maintained a balanced budget in the General Fund in part by utilizing a portion of its accumulated fund balance. As a result, compared to the Available Ending Fund Balance of 2000-2001 (\$214.3 million), the City's 2001-2002 year end Available Ending Fund Balance (\$190.7 million) was down by \$23.6 million. As seen in the chart below, this was the first net annual decrease in the size of the General Fund's ending fund balance in eight years, and only the second year to year decrease in a decade.

**General Fund  
Fund Balance History**



## **ANALYSIS OF 2001-2002 GENERAL FUND OPERATIONS**

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The following is a summary discussion by category of how the various components of the General Fund budget performed in 2001-2002. A more detailed explanation of the activities in each of these categories can be found later in this document.

### **Sources of Funds**

Overall General Fund sources of funding (revenue plus fund balance) ended the year \$3.4 million (0.38%) above the 2001-2002 final Modified Budget level, and \$1.4 million (0.15%) above the estimate used to develop the 2002-2003 Adopted Budget's beginning fund balance component.

Total General Fund revenue collections of \$660.7 million ended the year less than one percent (0.33% or \$2.2 million) above the 2001-2002 Modified Budget level. The increase over the budgeted estimates reflected higher collections in Property Tax, Utility Tax, Licenses and Permits, Fines, Forfeitures, and Penalties as well as the Use of Money and Property, Revenue from Local Agencies, Other Revenue, and Transfers and Reimbursements offset by lower receipts in Sales Tax, Transient Occupancy Tax, Franchise Fees, Revenue from the State of California, and Revenue from the Federal Government. A net adjustment of \$965,000 to Fee Program Reserves is recommended as part of this report to adjust the reserves to the amounts actually generated by various Fee Programs. Net of revenues and expenditures, an adjustment totaling \$1.2 million is recommended for placement in the Planning and Building Fee Program Reserves. This is partially offset by a downward adjustment of approximately \$275,000 necessary in the Fire Fee Program Reserve. These actions are consistent with the budget policy enacted five years ago, preserving any expenditure savings or revenue excess in these fee programs in reserves dedicated to that purpose.

### **Uses of Funds**

Overall, General Fund uses of funds ended the year \$187.3 million (down 20.7%) below the 2001-2002 modified budget level, and \$27.1 million (down 3.6%) below the estimate used to formulate the 2002-2003 Adopted Budget's beginning fund balance component. Of the \$187.3 million in savings, approximately \$160.2 million was estimated to be available by year-end as part of the beginning fund balance estimate that was rebudgeted in June as part of the 2002-2003 Adopted Operating Budget. The net remaining savings in this category was \$27.1 million.

The recommitment of funding through rebudgeting actions is recommended as part of this report to fund uncompleted projects and to allocate development-related expenditure savings to the appropriate development-related activities. A more detailed discussion of the significant specific rebudget amounts is provided in the *General Fund Expenditure Performance* section found later in this document. After accounting for these additional recommended rebudgets, net savings of approximately \$8.4 million was realized, primarily from personal services savings due to vacant positions in several departments.



**ANALYSIS OF 2001-2002 GENERAL FUND OPERATIONS (CONT'D.)**

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**Use of Funds (Cont'd.)**

The 2001-2002 General Fund Contingency Reserve ended the year at \$24.3 million. This was 20.5% (\$4.1 million) above the 2000-2001 year-end level of \$20.2 million, and represented 2.9% of total budgeted General Fund expenditures (excluding encumbrances, the Contingency Reserve, and the Workers' Compensation Reserve). At the beginning of each year, the Contingency Reserve is established at a level necessary to meet or exceed the City Council's reserve policy level of 3.0% of expenditures. During the year, however, the reserve level may drop below 3.0% if significant additions are made to the budget or uses of the Contingency Reserve are approved.

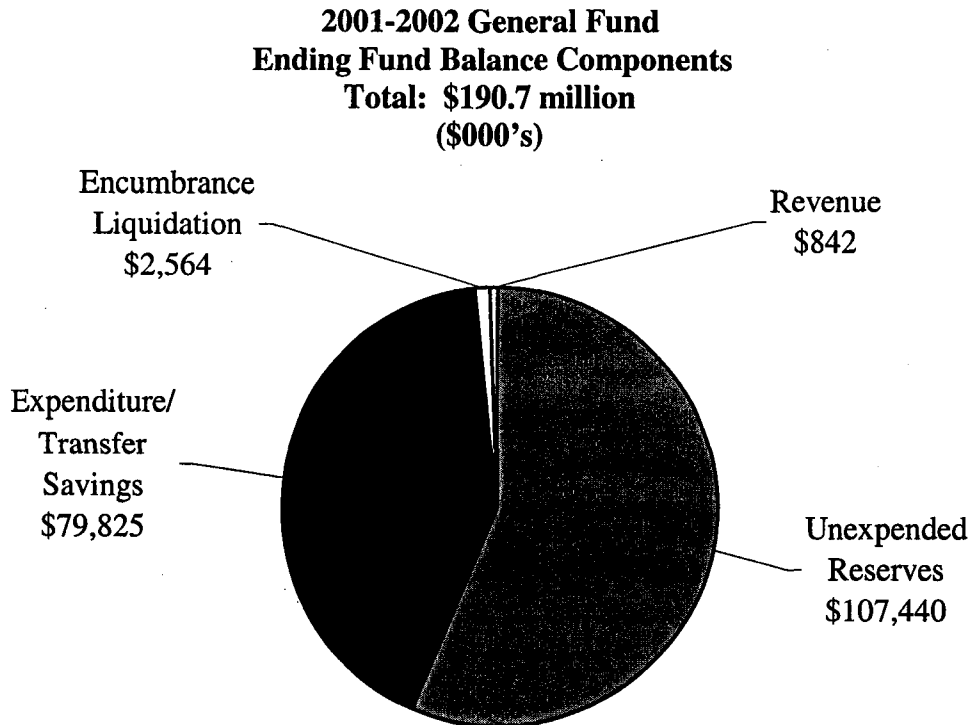
**Ending Fund Balance**

The current budgeting practice of the City is to use the fund balance remaining in the General Fund at the end of any fiscal year, after the establishment of sufficient funding in the Contingency Reserve, as a funding source for the following year. Thus, each year during the budget process, a detailed estimate of the unused balance in the fund is incorporated into the Adopted Budget. The Ending Fund Balance estimate always contains two components: the portion of the fund balance that needs to be rebudgeted for completing projects or retaining reserves; and that portion which is truly undesignated and available as a general funding source in the coming year. The undesignated portion is further divided into ongoing and one-time components to assure that the City does not fund ongoing programs with one-time fund balance monies. The components of ending fund balance in any year are unexpended reserves, expenditure/transfer savings, excess revenue, and liquidated encumbrances. When the 2002-2003 Operating Budget was developed, it was assumed that the 2001-2002 ending fund balance would total approximately \$162.2 million. As discussed earlier, the actual ending fund balance of \$190.7 million was \$28.5 million above the budgeted level, but at the same time was also \$23.6 below the prior year level. This use of fund balance accumulated over several years is both a reminder of the very different and difficult financial environment the City is now operating in, and an indication of how important it is for us to adopt the type of cautious financial strategy recommended in this report concerning the commitment of any additional one-time funding that becomes available

**ANALYSIS OF 2001-2002 GENERAL FUND OPERATIONS (CONT'D.)**

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**Ending Fund Balance (Cont'd.)**



- Unexpended reserves totaled \$107.4 million, of which the Contingency Reserve portion was \$24.3 million. The remainder represented several earmarked reserves, the most significant of which were: the Reserve for Economic Uncertainty (\$15.8 million); Workers' Compensation Reserve (\$15.0 million); the Salaries and Benefits Reserve (\$10.2 million); 2002-2003 (Deficit) Reserve (\$9.98 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$7.7 million); and Reserves for Development-Related Activities (\$6.4 million). The majority of these reserves were rebudgeted in June (\$55.5 million) or allocated to 2002-2003 (\$28.0 million). Additional reserve rebudgets of \$0.965 million are recommended as a part of this report.
- Expenditure/Transfer savings totaled \$79.8 million. A large portion of these savings (\$59.0 million), were rebudgeted as part of the 2002-2003 Adopted Budget for completion of 2001-2002 programs. Additional expenditure/transfer rebudgets and technical adjustments totaling \$12.59 million are recommended as part of this report.
- The total excess sources of funding (revenue plus fund balance) were \$842,000. A portion of this variance is due to a \$1.0 million drop in the 2001-2002 Beginning Fund Balance, related to a prior year accrual made for workers' compensation claims. In reconciling the 2000-2001

## **ANALYSIS OF 2001-2002 GENERAL FUND OPERATIONS (CONT'D.)**

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### **Ending Fund Balance (Cont'd.)**

General Fund activity, the claims accrual was mistakenly reflected as a decrease in expenditures instead of an increase. Correcting that error results in a net \$1.0 decrease to the 2001-2002 Beginning Fund Balance. In addition, a negative carryover from the Sidewalk Repair Fund (Fund 370) of \$275,000 reflects the gap between repair costs and collections from property owners.<sup>1</sup> These two transactions were offset by additional revenue of \$2.2 million.

- The final component of the Ending Fund Balance is the value of the liquidation of carryover encumbrances, which in 2001-2002 totaled \$2.6 million. Actual liquidations ended the year above the \$2.0 million level assumed in the 2002-2003 Adopted Budget.

## **IMPACTS ON THE 2002-2003 ADOPTED BUDGET**

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### **Beginning Fund Balance**

With the City's current budget practice, ending fund balance amounts carried into the next fiscal year as beginning fund balance are a significant source of funding for the ongoing budget. As described previously, the actual General Fund ending balance was above the estimate used in the 2002-2003 Adopted Budget by \$28.5 million. A total of \$14.8 million of this amount is necessary to rebudget and/or correct problems discovered with the adopted budget (described in more detail below). This leaves \$13.7 million available for allocation.

In the Mayor's June 2002 Budget Message, items totaling \$15.6 million were designated to be considered for funding should the City be in a position of having of 2001-2002 Ending Fund Balance. They were listed in priority order as follows:

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<sup>1</sup> Prior to 2001-2002, the Sidewalk Repair Fund was included in the General Fund for governmental accounting purposes only and not a part of the General Fund reconciliation since it was budgeted separately. In 2001-2002, the Sidewalk Repair activities were incorporated budgetarily into the General Fund.

**IMPACTS ON THE 2002-2003 ADOPTED BUDGET (CONT'D.)**

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**Beginning Fund Balance (Cont'd.)**

Future Deficit 2003-2004	\$ 11,726,000
Montgomery Park Renovations	544,688
Hubbard Elementary Portable/Community Center	350,000
Houge Community Center HVAC	576,950
Hanchett Ave Median Improvements	70,000
East San Antonio Median Island	475,000
Evergreen Park Tot Lot/Asphalt Path	582,502
Chynoweth Median Island Rd Improvement	480,000
Willow Glen/Lincoln Ave Gateway Project	150,000
Rose Garden Park Improvements	45,000
Green Building Program Position	83,000
Hensley Historic District Ornamental Lighting	300,000
Mariposa Ave & Yosemite Ave Lighting	234,496
Station 28 Improvements	15,500
<b>Total Mayor's June 2002 Budget Message Items</b>	<b>\$ 15,633,136</b>

The net amount of additional fund balance is less than the amount that would be necessary to fund all of the items, and therefore, even if the Council decided to proceed, only the Future Deficit Reserve and the first four projects could be funded. More importantly, however, we believe the additional information now available about the status of the 2002-2003 budget alters significantly the key assumption that was the foundation of the recommendation to fund new projects – namely that the budget as adopted was and would remain balanced. We believe that assumption to be in doubt for several reasons.

Our first concern involves the State budget crisis. At the beginning of September, the State Legislature finally adopted a current year budget. That budget negatively impacted City revenues with a loss to the General Fund approximating \$1.0 million from two sources: Senate Bill (SB) 90 funding and Public Library Funds (PLF).<sup>2</sup> The City will lose approximately \$750,000 in SB 90 revenue and \$277,000 in PLF. Beyond those cuts, however, given the nature of the State balancing actions, we have a strong expectation that the State will need to take further balancing actions, perhaps even this year, that could well result in large cuts to local government revenue streams (e.g., Motor Vehicle In-Lieu).

A second serious concern involves the prospects for current year revenue collections. A review of the local and economic environment, and a review of how key revenue sources ended the year

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<sup>2</sup> Senate Bill 90 (SB 90) requires the State to reimburse the City for eligible costs incurred by the City for certain state-mandated programs.

**IMPACTS ON THE 2002-2003 ADOPTED BUDGET (CONT'D.)**

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**Beginning Fund Balance (Cont'd.)**

last year, leads us to conclude that several of our largest General Fund revenue estimates, although conservative, should be revised downward. Nor does there appear to be reason to expect imminent improvement in the local economy. The San Jose (MSA) unemployment rate (unadjusted) for August was 7.6%. This rate is greater than both the statewide (6.2%) and national (5.7%) unemployment rates. Local industry leaders continue to forecast sluggish sales for at least the remainder of the year. Almost all local economists agree that we may have reached the bottom of this slowdown, but significant improvement appears to more than a year away.

By far the most significant downward adjustment required involves our largest General Fund revenue source, Sales Tax. The 2002-2003 Adopted Sales Tax estimate presumed 2.5% growth on a much higher 2001-2002 base than actually was realized. News released last week concerning the latest General Sales Tax quarterly collection totals show reductions far steeper than projected, with a 16.7% decline through September 2002 (sales activity from March through June 2002). This decline was greater than the San Francisco Bay Area (-8.4%) as well as the State (-1.4%), and pushes the record of double-digit declines to a fourth straight quarter. The 2002-2003 estimate would now require revenue growth during this fiscal year of approximately 9%, which is clearly unlikely to occur. Similarly, collections in 2001-2002 fell well below the levels presumed in the current year budget for three other General Fund revenue sources: Transient Occupancy Tax, Disposal Facility Tax, and the Telephone Utility Tax.

To address these concerns, the Administration is recommending a two-pronged financial strategy. In order to reflect the State budget cuts and expected lower revenue collections, this report includes a recommendation for downward revisions to four General Fund revenue sources totaling approximately \$16.0 million. The recommended downward adjustment in the General Sales Tax, to a level presuming no growth from 2001-2002 levels accounts for \$11.3 million of that total. It will require all of the net 2001-2002 unallocated fund balance discussed above, plus \$2.3 million from an additional source to accomplish the revenue reduction actions.

This brings us to the second piece of the recommended financial strategy. Later in the year, the Housing Department intends to purchase several parcels of City land that will result in the General Fund receiving approximately \$13.3 million in unanticipated and un-programmed revenue. We recommend using this funding for two purposes: 1) to provide the additional funding necessary to implement the revenue reductions described above; and, 2) to begin addressing the highest priority item on the Council's Ending Fund Balance list (Page x), a Reserve for Future Year's Deficit, in the amount of \$10.9 million.

It is clear that we not only face challenges in the current year, but also are certain to face a large shortfall going into the 2003-2004 budget process. The strategy recommended here is in keeping with the Mayor and City Council's direction, and would continue the fiscally cautious approach that has served us so well up to this point.

**IMPACTS ON THE 2002-2003 ADOPTED BUDGET (CONT'D.)**

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**Beginning Fund Balance (Cont'd.)**

In more detail, the recommended allocation of the additional General Fund Balance can be described as follows:

**PROPOSED ALLOCATION OF ADDITIONAL FUND BALANCE (\$000s)**

<b>Fund Balance Variance</b>	<b>\$ 28,476</b>
Changes to Fee Reserves	965
Required/Recommend Current Year Adjustments	1,269
Rebudgets/Technical Adjustments	<u>12,591</u>
<b>Fund Balance After Recommended Adjustments</b>	<b>\$ 13,651</b>

- **Changes to Fee Reserves (\$0.965 million)** – Consistent with the budget policy enacted five years ago, \$965,000 is recommended for the fee program reserves (Building, Fire, Planning, and Public Works), preserving all expenditure savings and/or revenue excess in these programs
- **Required/Recommended Current Year Adjustments (\$1.3 million)** – These additions are recommended to address a number of current year funding needs which have emerged since the budget was approved including: additional support for workers' compensation claims payments (\$500,000); additional support for Transportation Department electricity costs (\$300,000); repayment to the State for San José LEARNS grant program savings (\$259,000); funding for the Silicon Valley Bowl (\$100,000) erroneously omitted from the budget, tow contract negotiations (\$35,000), and Convention Center expansion consultant services costs to be split with the Redevelopment Agency (\$75,000).
- **Rebudgets/Technical Adjustments (\$12.59 million)** – These adjustments are recommended to complete existing projects in 2002-2003 and to reflect any necessary technical budget adjustments. The Annual Report is the point in the budget process where action is required to provide for the rebudgeting of year-end savings not anticipated when the Adopted Budget was approved, but required to complete a significant Council-established project. Also recommended are actions that actually reduce previous rebudgets in various departments and the City-Wide Expenses category to reflect instances where greater than expected expenditures occurred in 2001-2002 and those funds are, therefore, not needed in the current year. In addition, various net zero adjustments are recommended to reflect the actual year-end revenues and expenditures associated with various grants. A net total of \$12.59 million of Rebudgets/Technical Adjustments are identified in this report that need to be carried to the 2002-2003 fiscal year in order to complete the specific projects and programs. The two largest components of this rebudget/technical adjustment recommendation are General Fund Capital Projects (\$3.2 million) and City-Wide Projects (\$9.0 million).

## IMPACTS ON THE 2002-2003 ADOPTED BUDGET (CONT'D.)

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### Beginning Fund Balance (Cont'd.)

As described earlier, the elements of the Administration's recommendations to rebalance the General Fund budget based on 2001-2002 year-end performance, and to prepare the organization for future shortfalls includes the following elements:

- **Revenue (-\$2.7 million)** – A net downward adjustment of \$2.7 million dollars is recommended to bring the General Fund budget closer to current estimates. This recommendation is a combination of downward revisions to several revenue sources, primarily driven by adjusting Sales Tax to reflect flat growth over the actual prior year collections (\$16.0); and certification of anticipated revenue from the sale of surplus property (\$13.3 million).
- **Reserve for 2003-2004 Deficit (\$10.9 million)** – In accordance with the Mayor's June 2002 Budget Message, the \$10.9 million which remains after the above actions is recommended to be used to establish a Reserve for Future (2003-2004) Deficits. Doing so helps prepare the organization to address what will surely prove to be a challenging, upcoming budget year.

## STATUS OF OTHER FUNDS

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### Capital Funds

In 2001-2002, collections in the major capital tax revenue categories exceeded the estimates included in the modified budget with the exception of the Building and Structure Construction Tax receipts that fell slightly below the final estimate. However, receipts in all of these categories showed substantial declines from the prior year collection levels.

The Traffic Capital Program is primarily supported by the **Building and Structure Construction Tax** and the **Construction Excise Tax**. Year-end collections in the Building and Structure Construction Tax category totaled \$9.7 million, which was slightly below the modified budget estimate of \$10.2 million, but significantly lower than the \$17.4 million received in 2000-2001. The year-end variance would have been considerably larger if this revenue estimate had not been adjusted downwards from the adopted figure of \$11.7 million. Construction Excise Tax receipts ended the year at \$14.9 million, exceeding the modified budget of \$13.2 million but also falling well below the \$20.7 million received in 2000-2001. During the year, this revenue estimate was reduced from the adopted figure of \$14.9 million based on lower actual collections. Strong year-end receipts, however, resulted in collections meeting the original estimate for this category.

The following graph displays the collection history of both the Building and Structure and Construction Excise Tax receipts over the past eleven years and illustrates the significant fall-off

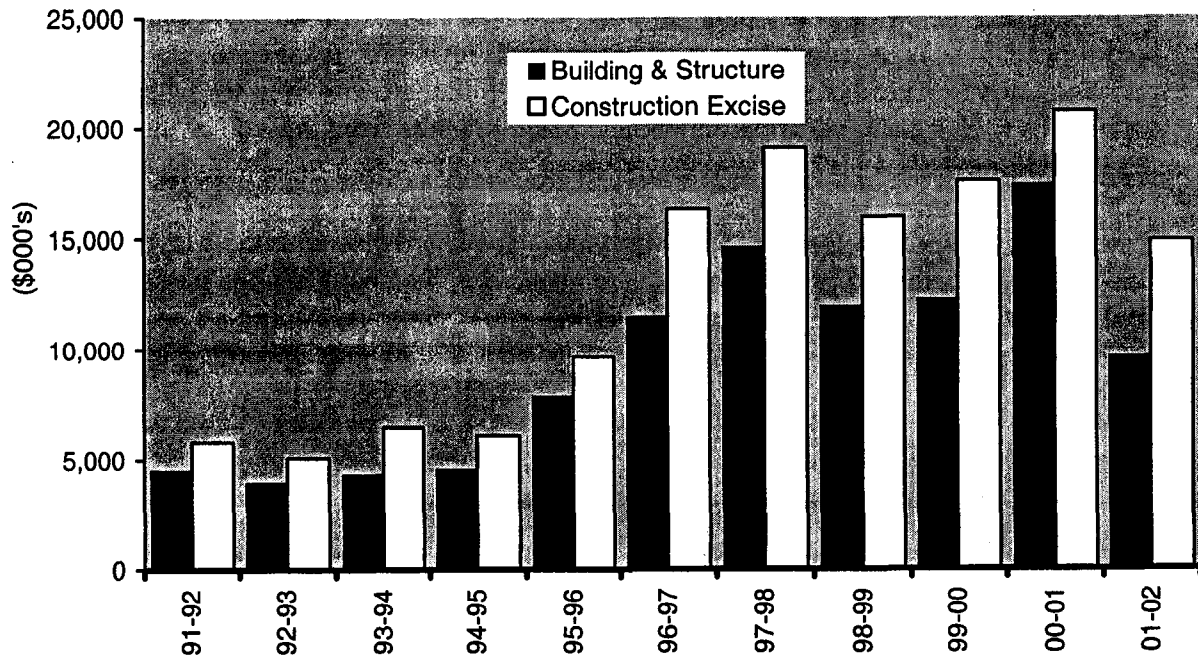
**STATUS OF OTHER FUNDS (CONT'D.)**

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**Capital Funds (Cont'd.)**

in revenues experienced in 2001-2002 due to the slowdown in the economy that has impacted construction activity.

**CONSTRUCTION TAX REVENUES**



**Construction and Conveyance Tax** revenues, which are the primary source of funds for the Park and Community Facilities Development, Library and Fire capital programs, also experienced a drop-off in 2001-2002 from the record setting collection levels experienced in 2000-2001 due to the prolonged economic slowdown that has impacted real estate sales. Actual collections for 2001-2002 totaled \$26.3 million, a decrease of almost \$5.4 million from the prior year. While revenues fell below the 2000-2001 collection level, they significantly exceeded the budgeted estimate of \$20.0 million by \$6.3 million. When the 2001-2002 budget was developed, it was assumed that receipts would experience sizeable declines from the estimated 2000-2001 collection level based on the sluggish state of the economy. While the drop-off did occur, receipts fell from a much higher 2000-2001 actual collection level than originally estimated.

The following graph displays the collection history of Construction and Conveyance Tax receipts over the past 15 years. As can be seen, during the recession years in the early 1990s collections hovered around the \$9-11 million level for approximately five years. Following this recession, collections surged, peaking in 2000-2001 with receipts of \$31.6 million. The drop-off in 2001-2002 marks the first decline in over half a decade. While collections may still experience some



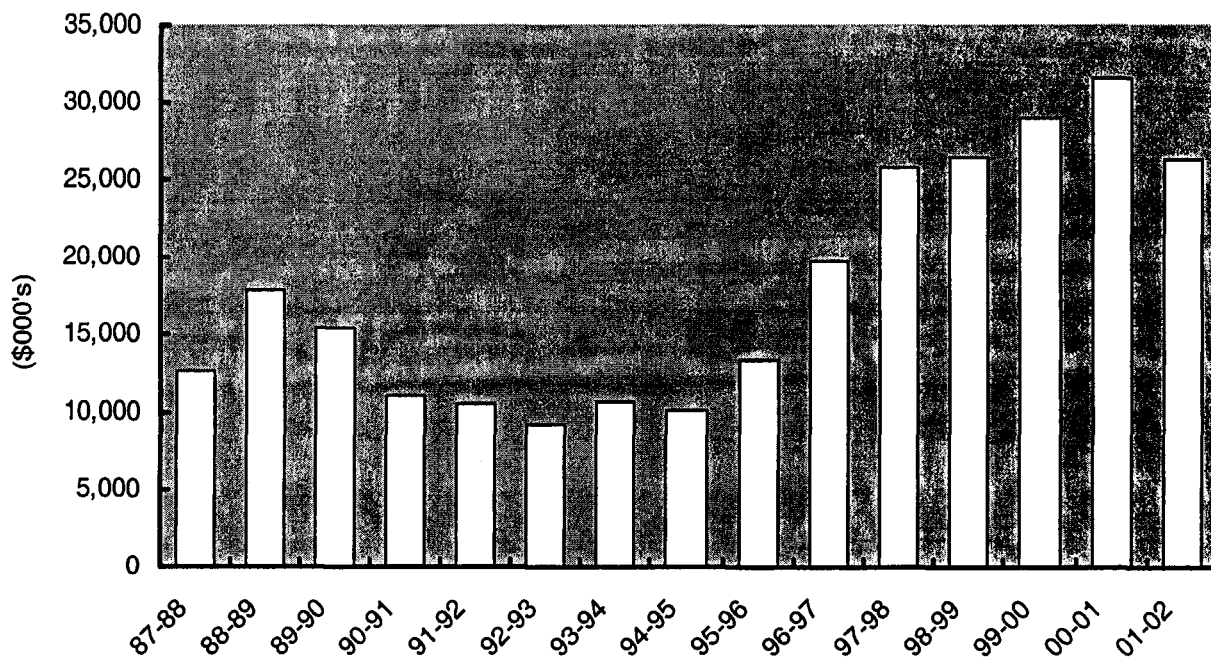
**STATUS OF OTHER FUNDS (CONT'D.)**

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**Capital Funds (Cont'd.)**

declines if the economic recovery is slow, it is not anticipated that receipts will dip to the levels experienced in the first half of the 1990's. The 2002-2003 adopted budget estimate of \$16.0 million allows for further significant declines in this category.

**CONSTRUCTION AND CONVEYANCE TAX REVENUES**



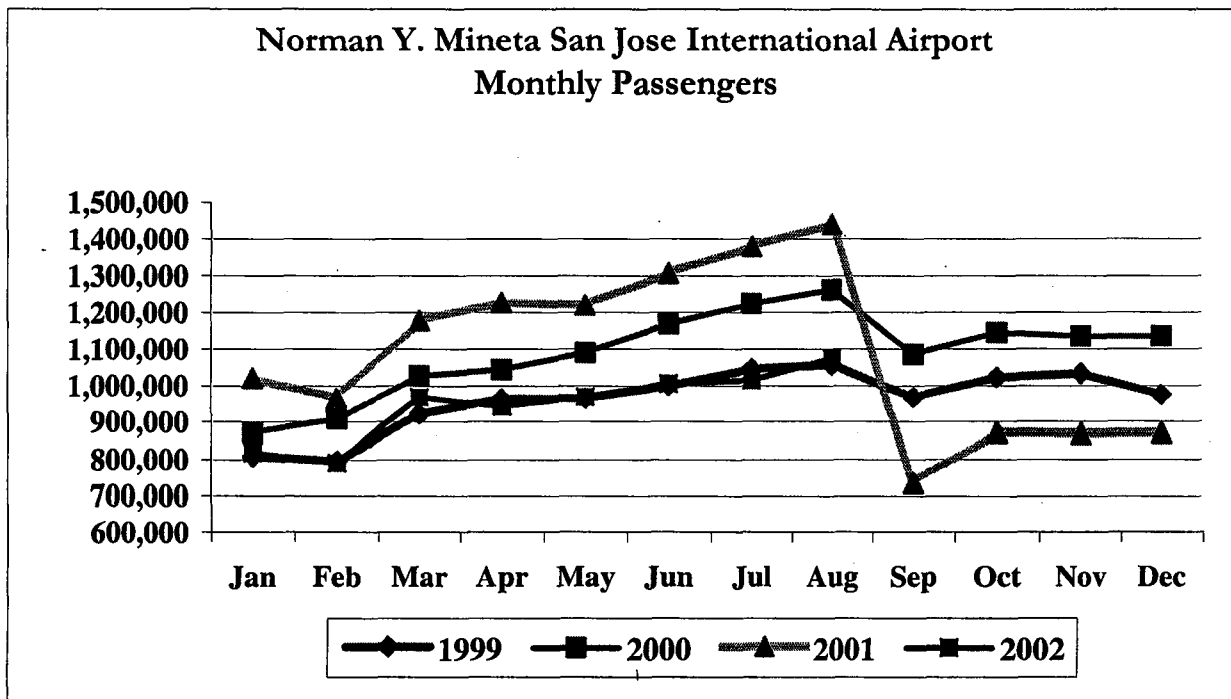
**Airport Operating Funds**

The events of September 11 combined with the slump in the local economy and a decline in business travel had a severe impact to revenue generating activities at the Airport. Mid-year actions included reductions to the Airport's revenue estimates of \$17.6 million. This action brought revenues more into alignment with the anticipated year-end budget expectations. Revenue collections in the Airport Revenue Fund were \$2.3 million higher than the Modified Budget. The increase was attributed to higher than expected revenues in the following categories: Terminal Rental, Terminal Building Concessions, Parking and Roadways, Other Revenue and Petroleum Products. Offsetting the increased revenues was a decrease in Landing Fees and Airfield Area, reflecting the decline in passenger travel (see following Monthly Passengers graph) due to September 11 and to in-flight kitchen revenues and cargo traffic. Expenditures and transfers were significantly below the budgeted level by \$12.5 million due to

**STATUS OF OTHER FUNDS (CONT'D.)**

**Airport Operating Funds (Cont'd.)**

the Airport's efforts to achieve costs savings while continuing to provide the necessary services. The decrease primarily reflects expenditure savings in the Airport Maintenance and Operations Fund and the Airport Customer Facility and Transportation Fee Fund as well as a lower transfer to the Airport Renewal and Replacement Fund due to lower capital project expenditures.



**Convention and Cultural Affairs Fund**

In a rare bit of good news, the Convention and Cultural Affairs Fund ended the year in a stronger than budgeted position with higher than anticipated revenue collections. The fund ended the year with revenues of \$456,858 over the modified revenue estimate. This is mainly due to higher than expected space rental income for the last six months of the year. However, the overall occupancy rate was approximately 83.0% for 2001-2002, well off of the 90% that was realized in 2000-2001. The positive ending fund balance variance reflects the receipt of revenues exceeding expectations and non-personal savings. It is recommended that these additional funds be held in reserve to help cushion the impact of the economic slow down and an expected drop in facility occupancy related revenue, and Transient Occupancy Tax funds.

**STATUS OF OTHER FUNDS (CONT'D.)**

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**Transient Occupancy Tax Fund**

Collections for the Transient Occupancy Tax (TOT) in 2002-2003 were drastically impacted by both the economic slowdown and the drop in travel that followed the events of September 11, and totaled \$10.4 million. This collection fell below the revised budget amount by \$1.05 million. That revised budget estimate had already been significantly reduced during the year from the originally adopted level of \$14.9 million. TOT activities dropped more than expected particularly in the last quarter of the year. The average hotel occupancy rate fell from 70.3% to 52.6% compared to the prior year. This trend is continuing into 2002-2003. For the first two months of 2002-2003 the average occupancy rate is 51.9%.

TOT revenue is distributed to three groups by ordinance: the Convention and Visitors Bureau (25%), Cultural Grants (25%), and the Convention Center Operation Subsidy (50%). Since 2001-2002 tax receipts ended the year below budgeted levels (-\$1.05 million), the three groups each received an over-allocation of funding that must now be recouped by reducing current year budgeted allocations. Actions recommended in this report will reduce the Convention and Visitor's Bureau and Fine Arts allocations by \$262,740 each, and the Convention Center Operation Subsidy allocation by \$525,480. Each of the three recipients has also been notified that we believe that the current year budget will need to be adjusted downward significantly at mid-year, and if that proves necessary, additional reductions to their current year allocations will be required. As mentioned above, Convention Center operation revenues actually increased during the last six months of the year and Convention Center activity remains a very important generator of TOT receipts. Additional discussion detailing the actions proposed in the TOT Fund may be found in Section II, *Other Funds*, of this report.

## LOOKING AHEAD

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Despite the recession and impacts from the events of September 11<sup>th</sup>, we managed our way through the challenges and ended 2001-2002 in a stable financial position. We provided services and programs to residents while maintaining cost/position management plans; and laid the groundwork for continued reductions into 2002-2003 with limited performance impacts.

While these efforts were successful and the organization should be very proud of the results, additional work still remains. The State is expected to take further budget-balancing actions that will most likely impact local government revenue streams. No significant improvement is anticipated in our General Sales Tax revenue based on a fourth consecutive quarter of double-digit declines on a source that is more than a fifth of the General Fund budget. Further, there is no reason to expect the local economy to improve dramatically given the unemployment rate and the drops in the leading indicators as well as consumer confidence. Thus, we have recommended a very cautious approach to the allocation of the additional resources identified in this report. We are proposing that all of the additional funding available in the General Fund, both from last year and from a new source, the sale of surplus property, be used to offset lower revenue estimates, with the remainder being placed in reserve to address the shortfalls that the City faces in the immediate future.

The Mayor and City Council's continued commitment to sound fiscal planning has been steadfast. This has placed the City in a strong position to withstand an extended recession.

The Mid-Year Budget Review will provide an opportunity to assess the effectiveness of the recommendations contained in this document and to recommend any further cost-containment strategies that may be necessary. As always, the Administration will continue to monitor the current year closely, reporting the City's fiscal status to the City Council through the Monthly Financial Report process.



DEL D. BORGS DORF  
City Manager

HONORABLE MAYOR AND CITY COUNCIL

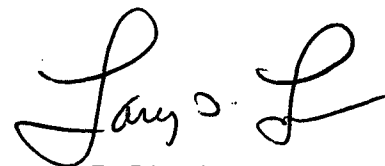
September 30, 2002

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I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in fiscal year 2002-2003 monies in excess of those heretofore appropriated therefrom:

General Fund	\$	28,868,515
Airport Passenger Facility Charge		3,738,790
Airport Renew & Replacement		2,234,574
Airport Revenue		8,941,163
Airport Revenue Bond Improvement		25,104,278
Anti-Tobacco Master Settlement Agreement		1,622,235
Arterial & Major Collectors		407,524
Building & Structure Construction Tax		9,075,381
Branch Library Bond Project		749,359
Business Improvement District		1,426
Community Development Block Grant		6,236,756
Central Service Yard Acquisition & Construction		15,747
Civic Center Construction		4,872,814
Community Facilities District 1		34,685
Community Facilities Revenue		483,969
Consolidated Water Utility		466,491
Construction & Conveyance Tax - Council District 1		626,904
Construction & Conveyance Tax - Council District 2		277,627
Construction & Conveyance Tax - Council District 3		370,832
Construction & Conveyance Tax - Council District 4		350,169
Construction & Conveyance Tax - Council District 5		627,813
Construction & Conveyance Tax - Council District 6		363,896
Construction & Conveyance Tax - Council District 7		1,507,509
Construction & Conveyance Tax - Council District 8		39,362
Construction & Conveyance Tax - Council District 9		69,493
Construction & Conveyance Tax - Council District 10		328,997
Construction & Conveyance Tax - Central Fund		545,830
Construction & Conveyance Tax - City-wide Community Facilities		365,438
Construction & Conveyance Tax - Fire		1,378,420
Construction & Conveyance Tax - Library		1,217,262
Construction & Conveyance Tax - Parks		1,017,329
Construction & Conveyance Tax - Parks Maintenance		160,429
Construction & Conveyance Tax - Service Yards		534,816
Construction Excise Tax		7,001,427
Convention & Cultural Affairs		1,042,551
Dental		72,013
Development Enhancement		7,711
Economic Development Administration Loan		36,801
Emergency Reserve		3,428,468
Emma Prusch		33,984
Federal Drug Forfeiture		11,290
Fiber Optics Development		29,174
GiftTrust		59,756
Hayes Mansion Phase III		1,915,783
Housing & Homeless		291,374
Integrated Waste Management		982,870
Library Benefit Assessment District		147,724
Life		4,910
Local Law Enforcement Block Grant		184,939

Low & Moderate Income Housing	\$	2,149,574
Maintenance Assessment District 4		12,133
Maintenance Assessment District 5A		46,120
Maintenance Assessment District 6		35,042
Maintenance Assessment District 8		8,933
Maintenance Assessment District 9		28,251
Maintenance Assessment District 10		58,334
Maintenance Assessment District 11		8,324
Maintenance Assessment District 12		10,469
Maintenance Assessment District 14		64,902
Maintenance Assessment District 15		107,883
Municipal Health Services Program		788,999
Municipal Golf Course		1,212,848
Redevelopment Agency Capital Projects (City side)		5,329,483
Residential Construction Tax Contribution		19,006
Sewage Treatment Plant Connection		834,300
Sewer Service & Use Charge		37,498
Sewer Service & Use Charge Capital		2,304,211
SJ-SC Treatment Plant Income		709,611
SJ-SC Treatment Plant Operating		1,598,791
State Drug Forfeiture		91,271
Stores		131,576
Storm Drainage Fee		506,548
Storm Drain Service & Use Charge		743,664
Storm Sewer Capital		253,673
Subdivision Park Trust		35,921
Underground Utility		408,496
Unemployment Insurance		3,855
Water Utility Capital		9,137
Workforce Investment Act		447,057



Larry D. Lisenbee  
Budget Director

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DEFINITIONS

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## DEFINITIONS

- **Actuals vs. Budget/Estimate** - This document includes analyses of department appropriations and funds based on variances between the 2001-2002 actual revenues/expenditures and either the 2001-2002 Modified Budget or 2001-2002 estimates.
  - "Actuals" represent final, audited year-end close figures as of June 30, 2002.
  - "Budget" reflects the original 2001-2002 Adopted Budget plus Council-approved modifications to the Appropriation Ordinance and Funding Sources Resolution. This number represents the year-end budget.
  - "Estimates" are revenue/expenditure projections based on information available prior to June 30, 2002. These estimates were used in calculating the year-end fund balance, and consequently, the 2002-2003 Adopted Budget beginning fund balance.
  
- **Budgetary Basis vs. GAAP** - The figures used throughout the text of this report are presented in accordance with the budget. The Financial Statements Section of this report, however, has been prepared using reports, which in many cases, have been adjusted to report transactions in accordance with generally accepted accounting principles (GAAP). Major differences between the budgetary basis and GAAP basis include:
  - Year-end encumbrances are recognized as the equivalent of expenditures for budgetary purposes. Encumbrances are not recognized as expenditures on a GAAP basis until recorded as actual expenditures. As a result, the expenditures and encumbrances have been combined in the text for a budgetary basis presentation, while the Financial Statements Section presents expenditures and encumbrances separately.
  - In Governmental Funds, an amount for the current year's compensated absences is not recognized on a budgetary basis since annual expenditures related to vacation, sick leave, and compensatory time are budgeted as part of departmental personal services.
  - Certain loan transactions and debt service payments are not recognized as expenditures on a GAAP basis since these payments represent a reduction of an existing debt obligation. For budgetary purposes, however, these payments represent a "use of funds" and are budgeted as such.
  - Under the GAAP basis, grant resources that are restricted to capital acquisition or construction in an enterprise fund are identified as contributions of capital and are not recorded as revenue. For budgetary purposes, grant funding, such as this, is recognized as a source of funds.



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## DEFINITIONS (CONT'D.)

- **Significant Funds** - In the "Other Funds" section, we have attempted to describe all funds of significance in the Budget. More than 200 funds exist in the City, of which many serve only administrative functions. For purposes of this report, funds that were not budgeted or that did not have significant activity were excluded. Examples of such funds include the Special Assessment District Funds and the Pension Funds.
- **Presentation**- In the analyses that follow, dollar amounts are presented in thousands unless otherwise specified.
- **Glossary of Terms** - Definitions of frequently used budgetary and accounting terms are presented on the next page.

# GLOSSARY OF TERMS

## **Appropriation**

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

## **Base Budget**

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

## **Capital Budget**

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

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

A plan, separate from the Annual Budget, which identifies all capital projects to be undertaken during a five-year period along with cost estimates, method of financing, and a recommended schedule for completion. By City Charter requirement, this document is published annually on April 1.

## **Carryover**

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

## **Contingency Reserve**

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

## **Contractual Services**

Operating expenditures for services provided by outside agencies and businesses, i.e. maintenance contracts, management services, etc.

## **Debt Service**

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

## **Encumbrance**

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

## **Equipment**

An item having a unit cost of \$5,000 or more and an estimated useful life of more than one year.

## **Fiscal Year**

A 12-month accounting period to which the Annual Budget applies; for San Jose, it is the period July 1 through June 30.

## **Fund Balance**

The difference between total receipts and total expenditures over time.

## **Fund**

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

## **General Fund**

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

## **Interfund Transfers**

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

## **Non-Personal Expenses**

Operating costs which are not related to equipment items or personnel.

## **Operating Budget**

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

## **Personal Services**

Salary and fringe benefit costs of City employees.

## **Program**

An activity or group of activities performed by a department, for the purpose of providing a service or support function.

## **Rebudget**

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

## **Reserve**

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

## **Special Purpose Funds**

Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.

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**I. GENERAL FUND**

<b>2001-2002 ANNUAL REPORT</b>
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**RESULTS OF OPERATIONS IN THE GENERAL FUND**

The General Fund ended the year in a stable position. A final available ending fund balance of \$190.7 million was realized, as reflected in the following table:

**GENERAL FUND  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2002  
(\$000s)**

	Revised Budget	Budgetary Basis Actual	Variance
<i>Sources</i>			
<i>Beginning Fund Balance*</i>	248,117	246,756	(1,361)
<i>Liquidation of Carryover Encumbrances</i>	-	2,564	2,564
<i>Subtotal</i>	248,117	249,320	1,203
<i>Revenue</i>	658,472	660,676	2,204
<i>Total Sources</i>	906,589	909,996	3,407
 <i>Uses</i>			
<i>Personal Services</i>	458,147	449,745	8,402
<i>Non-Personal/Equipment/Other</i>	112,782	100,811	11,971
<i>City-Wide Expenses</i>	125,144	95,311	29,833
<i>Capital Contributions</i>	90,471	60,944	29,527
<i>Transfers</i>	12,605	12,512	93
<i>Reserves</i>	107,440	-	107,440
<i>Total Uses</i>	906,589	719,325	187,264
 <i>Available Ending Fund Balance</i>		190,671	190,671

\* Includes an Encumbrance Balance of \$33.8 million

<b>2001-2002 ANNUAL REPORT</b>
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**RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)**

The actual ending fund balance of \$190.7 million exceeded the estimated ending fund balance level by approximately \$28.5 million. The elements of that variance are illustrated in the following comparison of estimate to actual chart. The estimated fund balance column represents the projections used to formulate the Beginning Fund Balance amount, included as a source of funding in the 2002-2003 Adopted Budget.

**2001-2002 GENERAL FUND  
ENDING FUND BALANCE ANALYSIS  
(\$000s)**

	<u>Estimate</u>	<u>Budgetary Basis Actual</u>	<u>Variance</u>
<b>Sources</b>			
<i>Beginning Fund Balance*</i>	248,117	246,756	(1,361)
<i>Liquidation of Carryover Encumbrances</i>	2,000	2,564	564
<i>Subtotal</i>	250,117	249,320	(797)
<i>Revenue</i>	658,472	660,676	2,204
<i>Total Sources</i>	<u>908,589</u>	<u>909,996</u>	<u>1,407</u>
<b>Uses</b>			
<i>Expenditures</i>	733,076	706,813	26,263
<i>Transfers</i>	12,605	12,512	93
<i>Reserves</i>	713	0	713
<i>Total Uses</i>	<u>746,394</u>	<u>719,325</u>	<u>27,069</u>
<i>Available Ending Fund Balance</i>		<u>190,671</u>	<u>28,476</u>

\* Includes an Encumbrance Balance of \$33.8 million

## 2001-2002 ANNUAL REPORT

### RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The variance in the Beginning Fund Balance of \$1.4 million accounts for the absorption of the Sidewalk Repair Program into the General Fund and an adjustment for workers' compensation liabilities. A negative carryover of \$275,000 is from the Sidewalk Repair Fund (Fund 370) and reflects the gap between repair costs and collections from property owners. Prior to 2001-2002, the Sidewalk Repair Fund was included in the General Fund for governmental accounting purposes only and not a part of the General Fund reconciliation since it was budgeted separately. Beginning in 2001-2002, the Sidewalk Repair activities were incorporated budgetarily into the General Fund. The remaining reduction in Fund Balance (-\$1.0 million) is due to a workers' compensation claims accrual of \$500,000 that was erroneously reflected as a decrease in expenditures instead of an increase.

The actual 2001-2002 liquidation of carryover encumbrance amount was \$2.6 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2000-2001 financial statements and the end of the 2001-2002 fiscal year. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The estimate to actual variance of \$0.564 million represents carryover encumbrance liquidations that occurred at a higher level than originally anticipated when formulating the fund balance estimate.

It should be noted that the budgetary fund balance reported for the General Fund in the Comprehensive Annual Report (CAFR) will be \$191.8 million, approximately \$1.1 above the fund balance reflected in this Annual Report. In the CAFR, the Local Law Enforcement Block Grant Fund (Fund 415) is included in the General Fund for governmental accounting purposes. In this report, this fund is not included as part of the General Fund because it is budgeted separately.

A detailed analysis of the significant variances between estimates and actuals for revenues, expenditures, transfers and reserves is provided in the following sections.

<b>2001-2002 ANNUAL REPORT</b>
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## GENERAL FUND REVENUE PERFORMANCE

The following chart details actual 2001-2002 General Fund revenue collections as compared with the modified budget estimates:

**CHART 1**  
**2001-2002 GENERAL FUND REVENUE SUMMARY**  
**COMPARISON OF BUDGET TO ACTUAL**  
**(\$000's)**

Category	Modified Budget	Budgetary Basis Actual	Variance
Property Tax	\$ 85,411	\$ 88,286	2,875
Sales Tax	153,650	138,058	(15,592)
Transient Occupancy Tax	7,200	6,819	(381)
Franchise Fees	34,884	34,432	(452)
Utility Tax	65,770	66,889	1,119
Licenses and Permits	58,872	59,272	400
Fines, Forfeitures, and Penalties	10,311	11,537	1,226
Use of Money and Property	15,460	18,952	3,492
Revenue from Local Agencies	47,095	47,141	46
Revenue from the State of California	61,707	60,522	(1,185)
Revenue from Federal Government	4,155	3,519	(636)
Departmental Charges	23,455	23,460	5
Other Revenue	17,307	24,515	7,208
Subtotal	585,278	583,404	(1,874)
Overhead Reimbursements	28,293	30,770	2,477
Transfers	25,944	27,590	1,646
Reimbursements for Services	18,957	18,912	(45)
Subtotal	73,194	77,272	4,078
<b>TOTALS*</b>	<b>\$ 658,472</b>	<b>\$ 660,676</b>	<b>\$ 2,204</b>

\* Excludes Beginning Fund Balance

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

The General Fund revenue performance for 2001-2002 is discussed in the following section. This discussion includes a comparison of the 2001-2002 actual revenue receipts for each of the major revenue categories to the modified budget and descriptions of significant variances. In addition, comparisons with the 2000-2001 collection levels are typically included to indicate collection trends and to provide historical perspective.

As shown in Chart 1, total revenue received in the General Fund in 2001-2002 was \$660.7 million. This total represents a decrease of \$1.8 million (-0.2%) from the actual 2000-2001 collections (\$662.5 million), and was higher than the 2001-2002 Modified Budget level by \$2.2 million (0.3%). The decrease from the prior year level reflects lower collections in a number of economic-related revenue sources (Sales Tax, Transient Occupancy Tax) and non-economic-related revenue sources (Franchise Fees, Revenue from the State of California, Revenue from the Federal Government).

The variances from the modified budget levels, as well as changes from prior year levels are better understood through a discussion of the status of the individual General Fund revenue categories, as provided in the following section.

### Property Tax

Property Tax receipts for the 2001-2002 fiscal year totaled \$88.3 million. While this collection level was within 3.4% (\$2.9 million) of the budgeted estimate of \$85.4 million, it represented growth of 9.4% above prior year actuals of \$80.7 million. This growth over the prior year was driven by increases in both Secured Property Tax and Unsecured Property Tax receipts.

Secured Property Tax receipts of \$67.9 million were 8.3% (\$5.2 million) above the 2000-2001 level and just under one percent above (\$428,000) the 2001-2002 modified budget estimate. It should be noted that the strong growth in this category was the result of property tax transactions that occurred in 2000, well before the emergence of the economic problems now facing the City. The property tax levy as of December 31, 2000 was the basis for the Secured Property Tax collections in 2001-2002. The two largest factors driving this growth were continued high valuations due to property turnovers and the addition of new properties.

SB 813 Property Tax receipts of \$5.4 million were 8.9% (-\$532,000) below the actual 2000-2001 level, but 81.4% (\$2.4 million) above the 2001-2002 modified budget estimate of \$3.0 million. The SB 813 Property Tax component represents the retroactive collection of taxation on reassessed valuation from the period of resale to the time that the Assessor formally revalues the property. The lag time for recording SB 813 transactions is typically several months. The decrease over the prior year reflects a decline in the amount of property turnovers and the slight



# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Property Tax (Cont'd.)

slowdown felt in the real estate market during the second half of the fiscal year. The 2001-2002 modified budget anticipated an even greater slowdown in the real estate market. In 2002-2003, it is anticipated that collections will fall significantly, and the budgeted estimate allows for a 33.9% drop from the 2001-2002 collection level.

The Unsecured Property Tax is assessed on major business equipment items and is subject to annual depreciation adjustments. Current and Prior Unsecured Property Tax receipts of \$13.8 million increased 26.6% (\$2.9 million) over the 2000-2001 actual level of \$10.9 million. This performance was consistent with the budgeted estimate. The 2001-2002 rate of growth was double that experienced in 2000-2001 (13.0%) and significantly more than those experienced in prior years: 1999-2000 (2.8%), 1998-1999 (8.3%), 1997-1998 (15.0%), and 1996-1997 (12.0%). For comparison purposes, however, these high growth rates in the second half of the 1990s are markedly different than the relatively flat growth in 1995-1996 (1.7%) and the large drops experienced in both 1994-1995 and 1993-1994, resulting from the County Assessor actions accelerating the depreciation schedules used to value major business equipment items and economic conditions during that time period. Given current economic conditions, the 2002-2003 budgeted estimate allows for a large (17.7%) drop from the 2001-2002 collection level.

The Homeowner's Exemption Subvention represents the recovery of tax loss resulting from the per-household exemption granted by current State law. Receipts in this tax category of \$1.16 million were consistent with the budgeted estimate of \$1.15 million and reflect an increase of less than one percent from the 2000-2001 actual collection level.

Property Tax has experienced very healthy growth over the last several years. However, based on the current recession, the 2002-2003 budget estimate for Property Tax allows for an overall 2.3% drop from the 2001-2002 collection level.

### Sales Tax

General Sales Tax collections for 2001-2002 of \$133.2 million were 28.0% (\$28.1 million) below the 2000-2001 year-end receipt level of \$161.35. This performance, the weakest in a decade, graphically illustrates the negative impact of the decline in the local economy, exacerbated by the events of September 11: Declines were experienced in all of the first three quarters: first quarter at -19.8%; second quarter at -18.2%; and third quarter at -24.0%. Because a three-month lag exists between the period of sales activity and when the City receives its quarterly Sales Tax allocation, the fourth quarter (April through June) was accrued based on projections. A 25.0% drop was built into this year-end, fourth quarter accrual based on the

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Sales Tax (Cont'd.)

performance of the prior three quarters and economic reports indicating no significant change for that period.

The latest (economic activity for April through June) General Sales Tax performance has since been released. The City's performance continued to be weak with a 16.7% decline through September 2002. This decline was greater than the San Francisco Bay Area (-8.4%) as well as the State (-1.4%). While this latest General Sales Tax information does not change the 2001-2002 accrual, the slightly improved performance at year-end allows for a small, one-time "buffer" of \$3.1 million for use in 2002-2003 to offset a continued, weakened, General Fund revenue situation. Due to what is now known with regard to General Sales Tax, revisions to the estimate are recommended in this report.

Proposition 172 Half-Cent Sales Tax receipts of \$4.8 million were slightly below (-1.6% or \$79,000) the 2001-2002 collection level of \$4.9 million. The rate reflects the continued impact of the recession on the statewide economy and relatively weak performance compared to the recent prior years: 2000-2001 (7.9%), 1999-2000 (12.4%), and 1998-1999 (2.7%).

### Transient Occupancy Tax

Collections for the General Fund's portion (4.0%) of the City's Transient Occupancy Tax (TOT) totaled \$6.8 million, representing a 37.6% decline (-\$4.1 million) over the prior year collection level of \$10.9 million and a 5.3% decline (\$381,000) from the budget estimate of \$7.2 million.

The 2001-2002 result is somewhat misleading, however. Due to an audit adjustment, the 2001-2002 collection was \$188,000 higher and the 2000-2001 lower than shown by a commensurate amount. Accounting for this audit adjustment, the real rate of decline is 33.9% from the prior year and, of course, reflects the huge decreases in the average room rates (decreased from \$173 to \$137, and occupancy rate changes (fell from 70.3% to 52.6%), that follow from the fall-off in the economy and change in travel habits caused by September 11. As this document goes to print, the July average occupancy has continued to fall, to 50.7%, as has the average room rate which sits at \$128. Meeting the current budgeted estimate would require a 23% increase over last year. A change in the 2002-2003 estimate for this revenue source is clearly required, and a recommendation is included in this report.

## 2001-2002 ANNUAL REPORT

### GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

#### Franchise Fees

Franchise fee collections of \$34.4 million were slightly below (-1.3% or -\$452,000) the 2001-2002 modified budget level of \$34.9 million. The negative variance between the actual receipts and budget is due to lower than estimated collections in all Franchise Fee categories except the Nitrogen Gas Pipeline Franchise Fee.

Electric and Gas Franchise Fees are based on activity that occurred during calendar year 2001. Electric Franchise Fees of \$13.9 million were less than one percent below the 2001-2002 modified budget level of \$14.0 million and 54.5% (\$4.9 million) above the 2000-2001 collection level of \$9.0 million. The positive growth over the prior year is the result of two electricity rate increases approved during the 2001 calendar year. Gas Franchise Fees of \$4.7 million were less than one percent below the 2001-2002 modified budget level of \$4.75 million and 51.1% (\$1.6 million) above the 2000-2001 collection level of \$3.1 million. The positive growth over 2000-2001 reflects the spike in gas prices experienced during the first half of the 2001 calendar year.

Cable Television Franchise Fee collections of \$4.4 million were 1.2% (-\$52,000) below the 2001-2002 modified budget level of \$4.5 million and 4.6% (-\$212,000) below the 2000-2001 collection level of \$4.7 million. Preliminary information indicates a decline in the number of cable television subscribers have negatively impacted Cable Television Franchise Fee receipts. City-Generated Tow Franchise Fee receipts of \$1.1 million ended the year 9.6% (-\$115,000) below the modified budget of \$1.2 million, and less than one percent below (-\$3,000) below the 2000-2001 actual collection level. Water Franchise Fee collections of \$157,000 were 12.7% (-\$22,773) below the 2001-2002 modified budget level of \$180,000 and less than one percent below the 2000-2001 collection level of \$158,000. Nitrogen Gas Pipeline Franchise Fee receipts of \$56,000 were 4.1% (\$2,000) above the 2001-2002 modified budget level \$54,000 and less than one percent above the 2000-2001 collection level of \$56,000.

Commercial Solid Waste Franchise Fee (CSW) collections of \$10.0 million were 1.8% (\$185,000) below the 2001-2002 modified budget level of \$10.2 million and 9.4% (-\$1.0 million) below 2000-2001 actual collections of \$11.1 million. The decrease in collections from the prior year apparently reflects both the continued impact of diversion programs that are designed to reduce the solid waste volume levels and reduced revenue activity. The 2002-2003 budget estimate for the CSW would require collections equal to the 2001-2002 collection level. Given the continued expected impact of recycling programs, this result also seems unlikely, and a downward adjustment to the estimate is recommended in this report.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Utility Tax

The City assesses utility user taxes on four utilities: Electricity, Gas, Water, and Telephone. Overall, Utility Tax receipts of \$66.9 million were only 1.7% (\$1.1 million) above the 2001-2002 modified budget level of \$65.8 million and less than one percent (-\$557,000) below the 2000-2001 actual collection level. The performance compared to modified budget was entirely driven by growth in the Electricity and Gas Utility Tax receipts, which were available to offset by significant drop in Telephone Utility Tax collections.

Electricity Utility Tax receipts of \$34.8 million were 8.5% (\$2.7 million) above the 2001-2002 modified budget estimate of \$32.1 million and 24.4% (\$6.8 million) above the 2000-2001 level. The growth in the Electricity Utility Tax reflects the rate increases implemented in January 2001 and made permanent in March 2001, as well as an additional rate increase that was implemented in June 2001.

Gas Utility Tax collections of \$5.8 million were 7.6% (\$409,000) above the 2001-2002 modified budget level of \$5.4 million but 55.0% (-\$7.1 million) below the prior year collection level of \$12.9 million. This decline over the prior year reflects a dramatic drop in gas rates from those experienced by customers during 2000-2001. For example, 2001-2002 average growth in the residential gas rate was 58.3% below the prior year, ranging from drops of 11.8% to 82.0%. Unlike the electric utility category that regulates the prices paid by consumers, increases in the price of gas are passed to customers throughout the year.

Telephone Utility Tax collections of \$20.5 million were 9.1% (-\$2.1 million) below the 2001-2002 modified budget level of \$22.55 million and 4.3% (-\$917,000) below the prior year collection level of \$21.4 million. This decline is due to lower than anticipated tax revenue associated with phone lines. The 2002-2003 estimate for this category also appears unreachable and a downward adjustment is therefore recommended in this report.

### Licenses and Permits

Revenues in this category include the Cardroom Tax, Business Tax, a Disposal Facility Tax, Fire Permits, Building Permits, and various other health and public safety permits and licenses. Overall, Licenses and Permits collections of \$59.3 million were less than one percent (\$400,000) above the modified budget level of \$58.9 million and 12.6% (-\$8.5 million) below the 2000-2001 collection level of \$67.8 million.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Licenses and Permits (Cont'd.)

Cardroom Business Tax receipts of \$8.6 million ended the year 14.9% (\$1.1 million) above the modified budget estimate of \$7.5 million and 2.5% (\$211,000) above the prior year actual level of \$8.4 million. Business Tax revenues of \$11.6 million ended the year less than one percent (\$73,000) above the 2001-2002 modified budget estimate of \$11.5 million and slightly over one percent (\$131,000) above the 2000-2001 collection level of \$11.4 million. Growth for both taxes was the result of increased activity.

Disposal Facility Tax collections of \$15.2 million ended the year less than one percent (\$33,000) above the 2001-2002 modified budget estimate of \$15.175 million and 12.4% (-\$2.2 million) below the prior actual collection of \$17.4 million. The Environmental Services Department has indicated that the reduced revenues are the result of a combination of factors, the most significant being the increased recycling of construction and demolition materials as well as other commodities from the commercial waste stream. Increased diversion programs, aggressively administered due to the State AB 939 diversion mandate, are also negatively impacting collections.

Fire Permit receipts of \$5.2 million ended the year 6.6% (-\$365,000) below the 2001-2002 modified budget level of \$5.6 million and 21.2% (\$1.4 million) below last year's historic collection level of \$6.6 million. The 2001-2002 adopted revenue estimate assumed only a 2.0% decline in revenue from 2000-2001 levels. During the first half of the year, it was apparent that Fire fee revenues from development-related activities would be below budgeted levels. Due to the overall economic slow down, development-related plan check activity (revenue collected for construction requiring a building permit other than one and two-family dwellings), experienced a decline in revenue receipts. In addition, two large projects were cancelled at the beginning of 2001-2002. Since revenue from this activity represents a significant portion of total Fire Permit revenues, the following actions were implemented to mitigate the lower than expected performance in development-related activities: vacant positions were eliminated during the Mid-Year Budget Review process, use of third-party plan checkers was discontinued, and other cost-reduction measures were undertaken. In addition, the Fire Fee Reserve was reduced by \$792,952 to bridge the projected 2001-2002 revenue-expenditure gap. With actual revenue information for 2001-2002, a further downward adjustment of approximately \$275,000 to the Fire Fee Reserve is included in this report.

Building Permit receipts of \$14.5 million ended the year 3.7% (-\$556,000) below the revised budget estimate of \$15.0 million and 29.5% below last year's historic level. When the budget was developed, it was assumed that building permit activity would fall off from the record levels experienced over the last couple of years. Reflecting an anticipated decline in activity of 7% and minor fee increases, the 2001-2002 revenue estimate was set at a level 4.8% below the actual collections in 2000-2001. The drop-off in revenues that was budgeted actually began in April,

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Licenses and Permits (Cont'd.)

2001. Acknowledging this, the Building Division suspended efforts to fill new inspection and plan check positions in July. A freeze of all vacancies in the fee program was put into place in September. Due to the decreased activity in all revenue categories, revenue estimates were decreased two times during 2001-2002: first during the Mid-Year Review, revenues and expenditures within Planning, Building and Code Enforcement Department's building fee program were decreased by \$3.0 million and once again in June, the Building Fee Reserve was reduced by an additional \$1.5 million to reflect anticipated year-end performance. When comparing the actual revenues with the actual costs for Building Permits, an excess of \$648,000 results, which will be returned to the existing reserve of \$1.45 million established for development-related activities.

The revenue collection of \$4.2 million for various other health and public safety permits and licenses ended the year 2.3% (\$96,000) above the modified budget level of \$4.1 million, and 20.9% (\$726,000) above the prior year collections of \$3.5 million.

### Fines, Forfeitures and Penalties

The primary sources of revenue in this category are proceeds from Parking, Municipal Code and Vehicle Codes Fines, and Cardroom and Business Tax Penalties. Collections of \$11.5 million in this category were 11.9% (\$1.2 million) above the modified budget estimate of \$10.3 million and 1.8% (\$209,000) above the prior year collections of \$11.3 million. Higher than budgeted collections in Parking Fines (\$524,000) and Other Penalties (\$819,000) collected by the County accounted for the positive variance over the 2001-2002 modified budget level. The level of collection reflected in Other Penalties is higher than prior years. Based on review of outstanding charges, a higher level of collectibility appears to be the cause.

### Revenue from Use of Money and Property

The largest source of revenue in the Use of Money and Property category is interest income earned in the General Fund as well as in several capital and special funds. Collections of \$19.0 million ended the year 22.6% (\$3.5 million) above the 2001-2002 modified budget level of \$15.5 million, but 15.2% (-\$3.4 million) below the prior year collection level of \$22.4 million). The variances from budget and the prior year were primarily due to fluctuations in the average cash balances and the average interest rate for the General Fund and several special funds.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Revenue from Local Agencies

This revenue category contains revenue received from a variety of other local government agencies. The seven primary sources of revenue are the reimbursement for City staff and overhead costs from the Redevelopment Agency; the reimbursement from the Redevelopment Agency for payment of the Convention Center debt service and past capital expenditures (which enables the City to fund the San José BEST Program); Enterprise Fund In-Lieu Charges; payments from the Central Fire District for fire services provided to County residents by the San José Fire Department; payment from the County for the Paramedic Program; and reimbursement from the County Joint Powers Authority for various community-based and City services.

Revenue collections of \$47.1 million from local agencies ended the year less than one percent (\$46,000) above the 2001-2002 modified budget and 23.3% (\$8.9 million) above the 2000-2001 collection level. The higher collections over the prior year primarily resulted from higher reimbursements for services provided to the Redevelopment Agency (\$2.1 million); reimbursement from the Redevelopment Agency for a couple of capital projects (\$4.6 million); and variances associated with a number of grants.

### Revenue from the State of California

Revenue collections of \$60.5 million in this category ended the year 1.9% (-\$1.2 million) below the 2001-2002 modified budget estimate of \$61.7 million and 3.7% (\$2.2 million) above the prior year actual level. The -\$1.2 million variance from budget is primarily due to lower than budgeted collections related to San José LEARNS (-\$1.9 million) offset by fluctuations in various State grant program expenditures. Included in this report is a recommendation to rebudget the revenue and corresponding expenditure budget for various grants to 2002-2003.

Lower grant receipts were partially offset by higher than anticipated "In-Lieu" subventions from the State of California for motor vehicles and airplanes. Motor Vehicle In-Lieu fees are the largest single source of revenue in this category. In 2001-2002, Motor Vehicle In-Lieu fees of \$51.3 million ended the year 2.9% (\$1.5 million) above the modified budget estimate of \$49.8 million and 5.3% (\$2.6 million) above the prior year collection level of \$48.7 million. This category enjoyed very healthy gains due to a surge in car sales throughout the state that has been sustained for several years: 9.8% growth in 2000-2001; 11.0% in 1999-2000; 9.5% growth in 1998-1999; and 10.0% growth in 1997-1998. While car sales continued to perform relatively well, the impact of the current recession in 2001-2002 is evident with only 5.3% growth over the prior year. Given the current economy, the 2002-2003 budget estimate presumes a lower growth level of 2.4% over the 2001-2002 collection level.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### **Revenue from the Federal Government**

The proceeds in this category are received entirely from various grant programs. Revenue from the Federal Government receipts of \$3.5 million were 15.3% (-\$636,000) below the 2001-2002 modified budget estimate of \$4.2 million and 39.1% (\$1.0 million) above the 2000-2001 collection level. The variances from budget and the prior year were due to fluctuations in grants calculated on a reimbursement basis. It is anticipated that both the expenditures and revenues related to these grants will be received in 2002-2003.

### **Departmental Charges**

This category includes the fees and charges levied to recover costs of services provided by various City departments. Collections of \$23.5 million for Departmental Charges met the 2001-2002 modified budget estimate and was 2.3% (\$526,000) above the 2000-2001 collection level. A brief description of the performance in each of the departmental fee categories is provided below.

***Miscellaneous Departmental Fees and Charges*** – Collections of \$2.4 million ended the year less than one percent (-\$18,000) below the modified budget estimate and significantly higher (\$2.1 million) than the prior year actual level of \$332,000. Approximately \$1.9 million of the increase from the prior year was the result of moving the Solid Waste Enforcement Fee budget from the Other Revenue Category to Departmental Charges.

***Police Departmental Fees*** – Collections of \$1.9 million ended the year 14.9% (\$245,000) above the modified budget estimate of \$1.6 million and 10.9% (\$186,000) above the \$1.7 million collected in 2000-2001. This increase was due to higher revenues received for vehicle impound release fees, reimbursement for police extradition, and other miscellaneous Police revenues.



# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Departmental Charges (Cont'd.)

**Public Works Departmental Fees** – Collections for Public Works Departmental charges of \$6.2 million ended the year 4.6% (-\$300,000) below the 2001-2002 modified estimate of \$6.5 million and 17.8% (-\$1.3 million) below the \$7.5 million collected in 2000-2001. A drop of only 13.8% was originally adopted and budgeted from the 2000-2001 year-end collection level. Overall revenue collections through May were significantly below estimated levels, however, collections in the final month of the fiscal year (\$1.0 million) were higher than anticipated, lessening the impact of the shortfall. In the fee program, June's higher than estimated revenue collections (\$895,000) enabled last quarter revenues in 2001-2002 to be 1.38% above the same time period in 2000-2001. Revenues for the year, however were still 2.3% below the same time period in 1999-2000. While revenue collections in nearly every category were less than anticipated, the residential engineering, non-residential engineering, geologic, electrical design, materials testing, and site development categories were particularly affected by the downturn in the local economy. When comparing the actual revenues of the fee program to the actual costs, a shortfall (\$207,000) exists. Since the reserve for this program is completely exhausted, this amount could be redeemed from 2002-2003 revenue collections, if they come in higher than anticipated. Staff will continue to monitor fee program collections closely and return with recommended adjustments as necessary.

**Transportation Departmental Fees** – Collections of \$1.026 million ended the year slightly below (-\$4,000) the modified budget estimate and 7.3% (-\$80,000) below the \$1.1 million collected in 2000-2001. The decrease in revenue was primarily due to the general economic slowdown. Tree planting and signal design/review ended the year approximately \$140,000 lower than projected, resulting from a decrease in the volume of development work performed by the Public Works Department. This decline was offset by greater than anticipated revenue in the category of Miscellaneous Traffic Charges. Traffic charges are composed of various revenues the Department collects such as property damage settlements to the City, which are difficult to project due to the unpredictable nature of the revenue sources.

**Library Departmental Fees** – Collections of \$878,000 ended the year 12.0% (\$94,000) above the 2001-2002 modified budget estimate of \$785,000 and 15.3% (\$117,000) above the \$762,000 collected in 2000-2001. A positive variance in fees from the prior year reflects the Library Department's significant increase in circulation, up from the prior year by 22.8%. For example, of the \$869,000 collected in library fines, \$807,000 was collected from overdue materials. The size of the increase is somewhat surprising given patrons ability to renew materials online.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Departmental Charges (Cont'd.)

**Planning Departmental Fees** – Collections of \$3.6 million ended the year 4.7% (\$160,000) above the 2001-2002 modified budget estimate of \$3.4 million, but 23.2% (\$1,087,000) below the \$4.68 million collected in 2000-2001. When the budget was developed, it was assumed that activity would fall from the record levels experienced over the last couple of years. Reflecting an anticipated decline in activity of 7% and incremental increases in Planning fees, the 2001-2002 revenue estimate was set at 3% below the actual collections in 2000-2001. Through the first quarter of 2001-2002, the drop-off in revenues was a lot greater than was assumed. A freeze of all vacancies in the fee program was put into place in September. Due to the decreased activity in all revenue categories, revenue estimates were decreased two times during 2001-2002: first during the Mid-Year Review, revenues and expenditures within Planning, Building and Code Enforcement Department's planning fee program were decreased by \$664,000 and once again in June, the Planning Fee Reserve was reduced by an additional \$450,000 to reflect anticipated year-end performance. When comparing the actual revenues with the actual costs for Planning Permits, an excess of \$593,000 results, which will be returned to the existing reserve of \$.2 million established for development-related activities.

**Parks, Recreation, and Neighborhood Services Departmental Fees** – Collections of \$7.5 million ended the year 2.3% (-\$177,000) below the 2001-2002 modified budget estimate of \$7.7 million but 9.3% (\$633,000) above the \$6.8 million collected in 2000-2001. The negative variance from modified budget was primarily due to lower receipts from fee activities, which had corresponding expenditure savings.

### Other Revenue

Other Revenue receipts of \$24.5 million were 41.7% (\$7.2 million) above the 2001-2002 modified budget level of \$17.3 million and 60.4% (\$9.2 million) above the 2000-2001 collection level. The significant positive variance from the modified budget reflects a number of mostly one-time revenue from such sources as the Sale of Real Properties (\$1.5 million); litigation settlements (\$97,000); revenue from the Pacific Gas and Electric Company for targeting energy efficiency (\$115,000); SB 90 reimbursements (\$963,000)<sup>1</sup>; revenue received for miscellaneous Public Works Department projects (\$790,000); revenue received from a settlement for underground storage tank clean-ups at the police garage (\$428,000); Packard Foundation funding for Smart Start Centers (\$660,000); Federal Emergency Management Association reimbursement for past flood disaster relief (\$1.2 million); revenue from auctioned vehicles (\$324,000); Fiber Optics Infrastructure reimbursements (\$324,000); and revenue from sidewalk repair activities (\$375,000).

<sup>1</sup> Senate Bill 90 (SB 90) requires the State to reimburse the City for eligible costs incurred by the City for certain state-mandated programs.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

### Overhead Reimbursements

Payments from other funds for overhead costs of \$30.8 million ended the year 8.8% (\$2.5 million) above the 2001-2002 modified budget estimate of \$28.3 million. This variance represents the net result of a series of over- and under-budgeted performances from the 45 special and capital funds that reimburse the General Fund. These differences occurred where fund activities were over or under the level assumed in the modified budget estimates. The positive variance was primarily driven by higher than anticipated collections from various capital funds (e.g., Sanitary Sewer Connection Fee Fund, Sewer Service and Use Charge Capital Improvement Fund, Special Assessment Revolving Funds, Building and Structure Construction Tax Fund, Construction Excise Tax Fund, and the Airport Revenue Bond Improvements Fund) based on actual activity levels.

### Transfers

Revenue from the Transfers from other funds category of \$27.6 million ended the year 6.3% (\$1.6 million) above the modified budget level of \$25.9 million. The positive variance was primarily due to higher than anticipated revenue from the Construction and Conveyance Tax Fund for parks maintenance and past possessory interest as well as senior staff home loan assistance from the Redevelopment Agency.

### Reimbursements for Services

Collections of \$18.9 million in the Reimbursements for Services category were less than one percent (-\$45,000) below the modified budget level. The slight negative variance was due to lower reimbursements from the Maintenance Assessment District Funds and Deferred Compensation Fund based on actual services provided to these funds.

### Summary

Total revenue received by the General Fund for 2001-2002 (\$660.7 million) exceeded the modified budget level by a very tiny margin (\$2.2 million or 0.3%), a remarkable result given the enormous negative changes that affected our revenue streams last year, and the overall size of the General Fund. This result represents the net impact of a number of positive and negative variances already described in the previous sections. The analysis of the outcomes of last year have made apparent a number of instances where revisions (mostly downward) to the 2002-2003 budget revenue estimates should be made. Those adjustments have been detailed in this section and summarized in the introductory message to this report. The Administration will actively monitor collections for the 2002-2003 fiscal year through the Monthly Financial Report process, and return with recommendations for any additional revisions that seem appropriate in the Mid-Year Budget Review.

# 2001-2002 ANNUAL REPORT

## GENERAL FUND EXPENDITURE PERFORMANCE

### Contents

The General Fund Expenditure Performance section includes the following elements:

- Overview
    - Budget to Actual Variances
    - Year-End Estimate to Actual Variances
  - Review of General Fund Expenditure Performance
  - Discussion of Significant Departmental Variances and Other Issues
  - Highlights of Non-Departmental Expenditures and Variances
  - Review of Overtime Expenditures Performance
- 

### Definitions

In the discussions contained in this document, the following definitions are used:

*Budget* – refers to 2001-2002 appropriations as modified by Council through June 30, 2002, plus 2000-2001 carryover encumbrances.

*Expenditure* – refers to actual 2001-2002 expenses plus encumbrances.

*Year-End Estimate* – refers to the City Manager's Budget Office's projection of year-end expenditures and encumbrances that were used to develop the General Fund beginning fund balance estimate used in the 2002-2003 Adopted Budget.

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### Overview

As shown in the following table, General Fund expenditures and encumbrances through June 30, 2002 totaled \$719.3 million. This expenditure level was up \$73.7 million (11.4%) from the June 2001 level of \$645.6 million, and was \$187.3 million (20.7%) below the modified budget total of \$906.6 million. Excluding \$98.4 million in uncompleted program funding that was rebudgeted in June as part of the 2002-2003 Adopted Operating Budget (including reserve carryovers), the expenditure variance was -\$18.6 million or -2.0%.

<b>2001-2002 ANNUAL REPORT</b>
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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Overview (Cont'd.)**

**2001-2002  
BUDGET TO ACTUAL VARIANCES  
(In 000s)**

Category	Modified Budget	Actual	Variance	% Variance
<i>Personal Services</i>	458,147	449,745	8,402	1.8%
<i>Non-Personal/Equipment/Other</i>	112,782	100,811	11,971	10.6%
<i>City-Wide Expenses</i>	125,144	95,311	29,833	23.8%
<i>Capital Contributions</i>	90,471	60,944	29,527	32.6%
<i>Transfers</i>	12,605	12,512	93	0.7%
<i>Reserves</i>	107,440	-	107,440	100.0%
<b>TOTAL GENERAL FUND</b>	<b>906,589</b>	<b>719,325</b>	<b>187,264</b>	<b>20.7%</b>

The expenditure savings achieved represent a significant percentage of the General Fund's \$190.7 million ending fund balance. Due to the projected revenue shortfall, during the first half of 2001-2002, departments were required to meet reduction targets and submit cost/position management plans. Thus, as reflected in Table A found later in this section, significant departmental savings occurred by year-end. Those departments with significant variances beyond those expected are discussed later in this document.

As can be seen in the above chart, the largest single category of savings occurred, as planned, in the Reserves category (\$107.4 million). The most significant reserves remaining at year-end included the following: Contingency Reserve (\$24.3 million); Reserve for Uneconomic Uncertainty (\$15.8 million); Workers' Compensation Reserve (\$15.0 million); the Salaries and Benefits Reserve (\$10.2 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$7.7 million); and Reserves for Development-Related Activities (\$6.4 million). Additional, detailed discussion of the reserve status may be found later in this section of the document.

Personal Services savings of \$8.4 million totaled only 1.8% of the variance from the modified budget. This relatively small savings level was just slightly larger than the levels realized in the most recent five years. This compares to those variance levels in prior years: 2000-2001 at 2.1%; 1999-2000 at 1.5%; 1998-1999 level at 1.3%; 1997-1998 level at 1.5%; and 1996-1997 level at 1.1%. The majority of personal services savings achieved during the past year were generated by five departments: Police (\$1.9 million); General Services (\$600,000); Public Works (\$411,000); Planning, Building, and Code Enforcement (\$944,000); and Parks, Recreation and Neighborhoods Services (\$813,000). The Personal Services savings in the

# 2001-2002 ANNUAL REPORT

## GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

### Overview (Cont'd.)

departments were primarily generated from vacant positions. As mentioned earlier, cost/position management plans implemented during the year assisted with the generation of vacancy savings.

General Fund Non-Personal/Equipment/Other<sup>1</sup> expenditures and encumbrances ended the year at \$100.8 million, generating savings of approximately \$12.0 million (10.6%). A large portion of these savings (\$4.6 million) was rebudgeted into 2002-2003 as part of the Adopted Operating Budget. The majority of departmental rebudgets was generated by the following departments: Planning, Building and Code Enforcement (\$787,000); Police (\$641,000); Fire (\$432,000); General Services' Parks Maintenance (\$325,000); Employee Services (\$230,000); Finance (\$220,000); Public Works (\$150,000); and Information Technology (\$110,000). After factoring in these rebudgets, the adjusted Non-Personal/Equipment savings totals \$7.4 million (3.4%).

The significant variances in the City-Wide Expenses and Capital Contributions categories are discussed in the *Highlights of Non-Departmental Expenditures and Variances* section of this document.

In formulating the beginning fund balance estimate included in the 2002-2003 Adopted Budget, the Budget Office utilized projections for year-end expenditure savings. The actual General Fund Expenditures, Transfers, and Reserves of \$719.3 million were \$27.1 million (3.6%) above the estimated level. This is primarily due to a number of projects in both City-Wide Expenses and Capital Contributions that were not completed as planned and are now recommended for rebudget as a part of this report. As shown in the following table, expenditures as a subcategory were approximately \$26.3 million (3.6%) below the budgeted estimate of \$733.1 million. Considering the recommended rebudgets/technical adjustments of \$12.2 million, the net variance was \$14.1 million (1.9%) of the estimated expenditure subtotal. The largest portion of the reserve variance was the Open Space Reserve of \$500,000 which is recommended to be rebudgeted for open space.

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<sup>1</sup> Other expenditures is primarily comprised of budgets for the following programs: Traffic Markings in the Transportation Department; Library Department grants; and Parks, Recreation and Neighborhood Services fee activities and the San Jose LEARNS program.

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Overview (Cont'd.)**

**2001-2002  
BUDGETED ESTIMATE TO ACTUAL VARIANCES  
(In 000s)**

Category	Estimate	Actual	Variance	% Variance
<i>Expenditures</i>	733,076	706,813	26,263	3.6%
<i>Transfers</i>	12,605	12,512	93	0.7%
<i>Reserves</i>	713	-	713	N/A
<i>Total</i>	746,394	719,325	27,069	3.6%

**Review of General Fund Expenditure Performance**

Departmental costs (\$550.6 million) represented approximately 76.5% of total 2001-2002 General Fund expenditures. As can be seen in Table A, all departments remained within their total budget allocation and expended a cumulative 96.4% of their budgets. Of the 25 City departments/offices, 12 had expenditure savings of less than 5.0%, seven had savings between 5.0-10.0%, and seven had savings over 10.0%.

Taking the savings generated by cost/position management plans into consideration, those departments with General Fund expenditure variances over 5.0% and a minimum value of \$300,000 are discussed in detail in the following section. In addition, expenditures in both the Police and Fire Departments are summarized.

Non-departmental expenditures totaled \$168.8 million, or 23.4% of the total 2001-2002 General Fund expenditures. In this category, 73.9% of the amount budgeted (excluding reserves) was expended. The reserves represent the largest portion of the unexpended funds and, as planned, are being carried over or utilized in 2002-2003. It is also important to note that the majority of savings in the City-Wide and Capital Contributions categories have been or will be rebudgeted to the new fiscal year for their intended uses.

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Review of General Fund Expenditure Performance (Cont'd.)**

**TABLE A  
TOTAL GENERAL FUND EXPENDITURES (In 000s)**

<u>Departmental</u>	<b>2001-2002 Modified Budget</b>	<b>2001-2002 Expenditures</b>	<b>Variance</b>	<b>% Variance</b>
City Attorney	12,092	11,819	273	2.3%
City Auditor	2,506	2,275	231	9.2%
City Clerk	1,761	1,581	180	10.2%
City Manager	7,555	7,062	493	6.5%
Civil Service Commission	23	19	4	17.4%
Conventions, Arts and Entertainment	169	149	20	11.8%
Economic Development	2,531	2,075	456	18.0%
Emergency Services	334	326	8	2.4%
Employee Services	5,520	4,999	521	9.4%
Environmental Services	2,797	2,161	636	22.7%
Equality Assurance	1,400	1,130	270	19.3%
Finance	10,233	9,714	519	5.1%
Fire	105,445	103,990	1,455	1.4%
General Services	34,507	33,184	1,323	3.8%
Independent Police Auditor	629	595	34	5.4%
Information Technology	16,568	15,641	927	5.6%
Library	21,847	21,539	308	1.4%
Mayor & City Council	7,236	5,748	1,488	20.6%
Parks, Recreation & Neighborhood Services	52,673	50,275	2,398	4.6%
Planning, Building & Code Enforcement	33,809	30,974	2,835	8.4%
Planning Commission	39	38	1	2.6%
Police	203,736	198,650	5,086	2.5%
Public Works	9,082	8,669	413	4.5%
Redevelopment Agency	1,616	1,578	38	2.4%
Transportation	36,821	36,367	454	1.2%
<b>Subtotal</b>	<b>570,929</b>	<b>550,558</b>	<b>20,371</b>	<b>3.6%</b>
<b>Non-Departmental</b>				
City-Wide Expenses	125,144	95,311	29,833	23.8%
Capital Contributions	90,471	60,944	29,527	32.6%
Transfers	12,605	12,512	93	0.7%
Contingency Reserve	24,291	-	24,291	100.0%
Other Reserves	83,149	-	83,149	100.0%
<b>Subtotal</b>	<b>335,660</b>	<b>168,767</b>	<b>166,893</b>	<b>49.7%</b>
<b>TOTALS</b>	<b>906,589</b>	<b>719,325</b>	<b>187,264</b>	<b>20.7%</b>



<p style="text-align: center;"><b>2001-2002 ANNUAL REPORT</b></p>
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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Discussion of Significant Variances by Department**

- *Employee Services*

The Employee Services Department expended 91.0% of its General Fund budget, with resulting savings of \$521,000. Personal Services generated a savings of \$54,000 as a result of salary savings due to vacant positions of which \$35,000 was part of the departmental target reduction.

Non-Personal/Equipment generated a savings of \$467,000 primarily due to savings in contractual and professional services of which \$135,000 was part of the departmental target reduction. A portion of the total Non-Personal/Equipment savings (\$230,000) was rebudgeted to 2002-2003 as part of the Adopted Budget. These rebudgets will complete the Employee Health Services remodel (\$110,000), the purchase and installation of the Employee Health Services tracking software (\$80,000), and analysis and review of the testing process for police recruits (\$40,000).

- *Environmental Services*

The Environmental Services Department expended 77.3% of its General Fund budget with resulting savings of \$636,000. Personal Services expenditures were 37.9% (-\$125,000) below budgeted levels as a result of salary savings due to vacant positions and unexpended grants. Total Personal Services rebudgets of \$1,609 to 2002-2003 are recommended in this report for grants associated with the U.S. Department of Energy Million Solar Roofs Grant (\$1,201) and the Targeting Energy Efficiency Management Grant (\$408).

Non-Personal/Equipment expenditures were 20.7% (-\$511,000) below the budgeted levels. These savings were mainly attributed to unexpended grant expenditures (\$396,000), contractual services savings (\$41,000) related to non-profit recycler reimbursements, neighborhood cleanup activities, and City facility yard trimming collections, and other miscellaneous savings (\$74,000). Total Non-Personal/Equipment rebudgets of \$17,600 to 2002-2003 are included in this document for grants associated with the U.S. Department of Energy Million Solar Roofs Grant (\$3,000) and the Targeting Energy Efficiency Management Grant (\$14,600).

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## GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

### Discussion of Significant Variances by Department (Cont'd.)

- *Fire*

At the end of 2001-2002, the Fire Department had expended 98.6% of its total modified budget of \$105.4 million, with resulting savings of \$1.5 million. The Personal Services appropriation of \$95.9 million was 99.9% expended, with savings of \$123,000. Overtime expenditures of \$6.8 million ended within the modified budget of \$7.2 million. Historically, overtime usage is largely attributed to fulfilling minimum staffing requirements.

The Department's Non-Personal/Equipment budget was 86.0% expended, with year-end savings of \$1.3 million. Approximately 28% of the Non-Personal savings reflects utilities and vehicle operating expenditures where both budget and expenses are managed and maintained centrally city-wide. Another 25% (\$355,200) of these savings were rebudgeted to 2002-2003 as part of the Adopted Budget. These rebudgets will complete systems development and programming services (\$94,700), replace the Fire Inspection Billing System (\$150,000), complete the purchase of Thermal Imaging Devices (\$22,500), and vehicles for Fire Protection (\$19,000), Public Education (\$23,000), and Recruit Academy personnel (\$46,000).

The Department's net year-end savings (including rebudgets) for 2001-2002 was approximately \$700,000, which is slightly more than twice the Department's 2001-2002 savings target of \$255,000.

- *Mayor and City Council*

The Mayor and City Council generated savings of \$1.49 million. A total of \$1.46 million was estimated and rebudgeted to 2002-2003 as part of the Adopted Budget. Due to a higher level of activity than initially anticipated, two offices did not achieve sufficient year-end savings to cover the amount originally rebudgeted. As a result, a reduction of approximately \$34,000 is recommended as a part of this report.

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Discussion of Significant Variances by Department (Cont'd.)**

- *Planning, Building and Code Enforcement*

The Planning, Building and Code Enforcement Department expended 91.6% of its General Fund budget, with resulting savings of \$2.8 million. By budget category, \$944,000 of the savings was in Personal Services and \$1,890,000 in Non-Personal/Equipment savings. The Cost/Position Management Plan target for Planning, Building and Code Enforcement was \$703,000. The majority of the Personal Services savings (\$666,000) were realized in the fee program and are recommended to be added to the Fee Reserves in this document to reconcile actual fee program expenditures for 2001-2002.

The large amount of savings in Non-Personal is the result of delays in specific projects, planned savings to achieve departmental Cost/Position Management Plan target and the planned decrease in expenditures in development-related areas (\$515,000). A large portion of the Non-Personal/Equipment savings (\$786,600) was anticipated and rebudgeted to 2002-2003. The following projects were included in that rebudget amount: Housing Opportunities Study (\$362,100), Historic Resources Survey (\$105,000), Fiscal Impact Study of various Housing Production Team recommendations (\$112,500), Imaging Server (\$40,000), website consultant (\$55,000), Vehicles for Planning and Code Enforcement staff (\$102,000), and Special Long Range Land Use Planning Consultant Funds (\$10,000).

As part of this report, it is recommended that additional savings be rebudgeted to 2002-2003 to complete the Strong Neighborhoods Initiative planning process (\$23,500) that will be reimbursed by the Redevelopment Agency.

When comparing the actual revenues with the actual costs for Building and Planning Permits, an excess of \$648,000 and \$593,000 respectively results. These excesses are recommended in this document to be added to the existing reserves established for development-related activities.

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## GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

### Discussion of Significant Variances by Department (Cont'd.)

- *Police*

The Police Department expended 97.5% of its total budget with resulting savings of \$5.1 million. Approximately \$1.9 million of these savings was in the Personal Services category, reflecting a 2.5% vacancy rate in the Department. Overtime expenditures of \$11.2 million ended slightly below the modified budget of \$11.5 million. Proactive management of the Department's overtime budget enabled it to remain within its allocation by year-end. The Department's compensatory time balance was 210,724 hours at the end of fiscal year 2001-2002. This balance is only slightly above (0.9%) the 2000-2001 year-end balance of 208,830 hours. Per the Memorandum of Agreement (MOA) with the Police Officers Association, sworn personnel are able to maintain 240 hours of compensatory time. Sworn personnel with compensatory time balances that exceed 240 hours at the end of the calendar year are required to reduce those balances to within the 240-hour limit within six months. All Police sworn personnel were able to meet the MOA requirements this year.

The remainder of the \$3.2 million in savings occurred in the Department's Non-Personal (\$2.6 million) and Equipment (\$0.6 million) appropriations. About \$623,000 of these savings were rebudgeted to 2002-2003 as part of the Adopted Budget. These rebudgets will complete several grant-related activities (\$70,000); purchase vehicles and equipment for the Airport Traffic Team (\$255,500) and mobile data holders (\$108,000); repair Vehicle Crime Unit office space (\$100,000); complete other vehicle expenditures (\$40,000); and provide for start-up costs (\$50,000) for the Gaming Control Unit.

As part of this report, it is recommended that additional savings is rebudgeted to 2002-2003 to complete the following activities: several grant-related activities (\$141,000); revenue-related activities (\$159,000); a Gaming Control Unit vehicle (\$20,000); and Airport Traffic Team (\$60,000).

The Department's net year-end savings (including rebudgets) for 2001-2002 was slightly over \$4 million, about twice the Department's 2001-2002 savings target of approximately \$2 million.

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

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

The non-departmental categories consist of City-wide Expenses, Capital Contributions, Transfers out from the General Fund, Reserves, and Other Funds that combine with the General Fund. An overview of the expenditure performance in these categories is provided below:

**2001-2002  
NON-DEPARTMENTAL GENERAL FUND EXPENDITURES  
(In 000s)**

Category	Modified Budget	Actual	Variance	% Variance
<i>City-Wide Expenses</i>	125,144	95,311	29,833	23.8%
<i>Capital Contributions</i>	90,471	60,944	29,527	32.6%
<i>Transfers</i>	12,605	12,512	93	0.7%
<i>Contingency Reserve</i>	24,291	-	24,291	100.0%
<i>Other Reserves</i>	83,149	-	83,149	100.0%
<b>Total</b>	<b>335,660</b>	<b>168,767</b>	<b>166,893</b>	<b>49.7%</b>

- *City-Wide Expenses*

A total of 76.1% of the General Fund appropriation for City-Wide Expenses was expended, resulting in net savings of \$29.8 million. Approximately half of this amount, \$14.2 million (47.7%) was rebudgeted as part of the 2002-2003 Adopted Budget:

	<u>Rebudget Amount</u>
<u>Economic &amp; Neighborhood Development</u>	
Alviso Historical Markers	\$ 10,000
Neighborhood & Strip Retail Revitalization	454,261
Neighborhood Immersion Project	150,000
Rental Dispute Public Education & Outreach	66,250*
San Jose Permits On-Line (formerly IDTS)	72,000*
Welcome Package for New Homeowners	17,602
<u>Public Safety</u>	
Automated Information System	1,710,387*
California Law Enforcement Equipment Program	393,036
Career Criminal Apprehension Grant Program	2,765
COPS MORE Grant	95,544

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Highlights of Non-Departmental Expenditures and Variances (Cont'd.)**

- *City-Wide Expenses (Cont'd.)*

	<u>Rebudget Amount</u>
County Interoperability Project	\$ 5,500
Domestic Violence-Free Zone Signage	20,000*
Men in the Movement	59,900
Metropolitan Medical Strike Team	115,000
San Jose Prepared!	65,000*
<u>Recreation and Cultural Services</u>	
Animal Care and Services	400,000*
Art Venture Funds	182,025
Blueprint for Bridging the Digital Divide	559,000*
Community Action & Pride Grants	312,000*
Davis School Track Repairs and Upgrade	30,000
Female Gang Intervention Program	57,000
Fischer School Blacktop	300,000
Hoffman Reading Program Evaluation	10,500
Homework Centers	385,200*
Hoover Performing Arts Center	1,300,000
Lincoln High Track Improvements	50,000
Mayor's Excellence in Education Awards	13,005
Morrill Middle School Portable	200,000
Neighborhood Revitalization Strategy	1,955,831*
Networking of Remote Sites	195,000*
Packard Grant Smart Start Sites	101,744
Safe School/Healthy Students Initiative	365,500
Sakamoto School Outdoor Eating Area Improvements	23,000*
San Jose Future Teachers Program	96,000
San Jose Smart Start Centers	418,000
Senior Needs Assessment	150,000
Trail Signage at Montgomery Hill Park	37,100*
Weed & Seed Washington Neighborhood	127,000*
Willow Glen High School Track	50,000
<u>Transportation Services</u>	
Gleason Avenue Streetscape	120,000*

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Highlights of Non-Departmental Expenditures and Variances (Cont'd.)**

- *City-Wide Expenses (Cont'd.)*

	<u>Rebudget Amount</u>
<u>Strategic Support</u>	
Arena Community Fund	253,450
Audiotext Telephone Information Line	21,000
Cafeteria Maintenance & Equipment	18,000*
City Outreach and Education	132,000
City Security Measures	80,000
Compensation & Classification Project	130,000*
Computer Systems Master Plan	142,000*
Customer Service Call Center	75,000
Employee Training on Domestic/Work Place Violence	44,000
Energy Efficiency Projects	8,000
Financial Management System Upgrade	170,000
Investing in Results	250,000*
Liability Program Consultant	21,500
Major Space Renovations	526,000*
Payroll/Human Resources Project	690,000*
Revenue Enhancement Consultant Services	500,000
Technology Improvements	451,150
<b>Total</b>	<b>\$ 14,187,250</b>

\* These 2002-2003 rebudgeted appropriations will need to be adjusted downward to reflect actual year-end savings amounts.

As noted above, a number of appropriations ended the year with fewer savings than estimated to rebudget. Revisions are recommended as a part of this report to adjust these appropriations downward by \$987,000. Additional rebudgets of unexpended funds totaling \$8.0 million are also recommended as a result of this year-end review.

After adjusting for the rebudgets already approved (\$14.5 million) and those recommended (\$8.0 million), true net savings in the City-Wide Expenses category totals approximately \$7.4 million (5.9%). The largest amounts of savings were realized in the following areas:

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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Highlights of Non-Departmental Expenditures and Variances (Cont'd.)**

- *City-Wide Expenses (Cont'd.)*

Economic & Neighborhood Development – Savings realized in this category were \$100,000, with the largest amounts occurring in the Fiber Optic Maps (\$26,873), Teacher Recruiting (\$18,917) and Convention Center Lease Payment (\$12,674).

Environmental & Utilities Services – Savings realized in this category were \$155,000, with the largest amounts occurring in IDC Garbage Disposal Fees (\$124,353) and small amounts of savings in several other appropriations.

Public Safety – Savings realized in this category were \$595,000, with the largest amounts occurring in Fire Training (\$217,438), Metropolitan Medical Strike Team (\$78,615), Police Officers Professional Liability Insurance (\$48,822) and small amounts of savings in several other appropriations.

Recreation and Cultural Services – Savings realized in this category were \$1.6 million with the largest amounts occurring in Smart Start/Neighborhood Centers (\$815,304) JPA Grants - PRNS (\$227,808) and small amounts of savings in several other appropriations.

Transportation Services – Savings realized in this category were \$76,525 and primarily reflect saving in Sidewalk Fund (\$69,186) and small amounts of savings in several other appropriations.

Strategic Support – Savings in this category totaled \$4.2 million and were primarily the result of lower than anticipated expenses in Sick Leave Payments Upon Retirement (\$784,289), Revenue Enhancement/Consulting Services (\$679,890) General Liability Claims (\$600,000), Customer Service and Information Center (\$499,035), Property Tax Administration Fee (\$432,000), General Liability Insurance Premiums (\$253,288) and smaller amounts in various other appropriations.



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**GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)**

**Highlights of Non-Departmental Expenditures and Variances (Cont'd.)**

- *Capital Contributions*

In 2001-2002, the General Fund provided funding for 186 individual capital projects totaling \$92.0 million. A total of approximately \$31.0 million in General Fund Capital Contributions appropriations was unexpended at year-end. The projects with the largest unexpended balances included:

<u>Capital Projects</u>	<u>(\$000s)</u>
Northside Community Center	\$ 4,606
Acceleration Park Bond Site Acquisition	2,000
Animal Shelter Facility	1,252
Training Trucks/Engines	1,147
Historic Homes Renovation	1,000
Initial Freeway Interchange Study	1,000
Street Reconstruction Projects	1,000
Almaden Winery Center Conversion	990
Fire Station Air Conditioning	841
Alviso Education Center	675
All Other Projects	<u>16,489</u>
<b>Total Unexpended Capital Projects</b>	<b>\$ 31,000</b>

Of the \$31.0 million in unexpended funds, a large portion (\$24.3 million) was rebudgeted as part of the 2002-2003 Adopted Budget. An additional \$3.1 million is recommended for rebudget into 2002-2003 in this report.

- *Transfers*

Actual Transfers to other funds totaled \$12.5 million and included all transfers being completed as budgeted except the Integrated Waste Management Fund transfer for Lifeline Rate Subsidies. During 1997-1998, a procedural change was implemented to create a pay-as-you-go system for this transfer rather than an up-front advance. Actual subsidies paid for 2001-2002 totaled \$327,265, resulting in savings of \$92,735 from the \$420,000 originally budgeted.

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## GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

### Highlights of Non-Departmental Expenditures and Variances (Cont'd.)

- *Reserves*

General Fund Reserve categories include Earmarked Reserves, the Contingency Reserve, and the Ending Fund Balance Reserve. On June 30, 2002, the total reserve balance was \$107.4 million. Of this amount, \$83.1 million represented Earmarked Reserves, the largest of which were the Reserve for Uneconomic Uncertainty (\$15.8 million); Workers' Compensation Reserve (\$15.0 million); the Salaries and Benefits Reserve (\$10.2 million); 2002-2003 (Deficit) Reserve (\$9.98 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$7.7 million); and Reserves for Development-Related Activities (\$6.4 million).

The majority of the Earmarked Reserves were approved for rebudget to 2002-2003 as part of the Adopted Budget and appropriated either as reserves or as allocations for the intended purposes. The Ending Fund Balance Reserve of \$10.5 million was assumed as available for allocation as part of the 2002-2003 available Beginning Fund Balance.

At the end of the year, the General Fund Contingency Reserve balance was \$24.3 million. During 2001-2002, the Contingency Reserve actually increased by a net total of approximately \$2.0 million from the Adopted Budget level of \$22.3 million. The following adjustments were approved during the year:

- A decrease of \$36,667 to provide matching funds for an Office of Criminal Justice Planning "Domestic Violence-Making the Technical Connection" grant.
- A decrease of \$5,000 to provide insurance deductible funding for the Christopher Columbus statue.
- A decrease of \$482,000 to provide rescue ambulances for the Emergency Medical System.
- A decrease of \$125,189 to provide matching funds for the Local Law Enforcement Block Grant.
- An increase of \$2,450,006 provided through the 2000-2001 Annual Report to meet the City Council 3% Contingency Reserve policy.
- A decrease of \$150,000 to provide funding for City security measures.
- An increase of \$800,000 provided from 2000-2001 Annual Report funds to correct a prior erroneous allocation of this amount to the E-Government reserve.
- A decrease of \$116,000 to provide a City-Wide assessment of development services.
- A decrease of \$300,000 to provide funding for the Novell Property Deposit.

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## GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

### Highlights of Non-Departmental Expenditures and Variances (Cont'd.)

- *Reserves (Cont'd.)*

The year-end General Fund Contingency Reserve balance of \$24.3 million represented approximately 2.9% of total budgeted expenditures (excluding encumbrances, the Contingency Reserve, and the Workers' Compensation Reserve). At the beginning of each year, the reserve is established to meet the City Council's reserve policy level of 3.0% of expenditures. During the year, however, the reserve level may drop below 3.0% if there are significant additions to the General Fund total, or uses of the Contingency Reserve.

### Review of Overtime Expenditure Performance

Throughout the fiscal year, the Administration closely monitors and reports on overtime expenditures in the Monthly Financial Reports. A review of the overtime performance has been included in this report to provide an overall reconciliation for the year and to address the City Council's interest in this particular category.

While General Fund overtime expenditures in 2001-2002 represented only 4.5% of the total General Fund personal services, it provided an important tool for departments to meet service demands. This is especially true given this City's long-standing philosophy of maintaining permanent staffing at the smallest level possible. Given the minimal staffing available, use of overtime is usually the most cost efficient, and often the only way that a department can respond to unforeseen variations in service requirements. For most departments, overtime is typically used to offset the impact of vacancies, to address increases in activity levels, to respond to seasonal workload increases, or to implement service improvements.

The 2001-2002 departmental overtime line-item expenditures in the General Fund and all other funds have been analyzed to ascertain whether departments remained within their overtime allocations and to identify the causes for any significant expenditures in excess of this allocation. Overages of any significant size occurred in only two departments.

General Services Department overtime expenditures exceeded budget by \$251,000 (57.3%) primarily due to the custodial, electrical and stage services needed for the increased number of special events. In addition, overtime was used to offset the high vacancy rate in Parks Maintenance and Fleet Maintenance as well as to shift coverage on holidays in Parks Maintenance.

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The Conventions, Arts and Entertainment Department's overtime expenditures exceeded budget by \$205,000 (89.6%) due to cost of living increases and due to efforts necessary to offset the impact of the vacancies maintained through the hiring freeze. Since new employees were not being hired, existing employees worked overtime to provide coverage for the hours that would have normally been worked by the new full-time positions. Another contributing factor to the overtime increase was due to higher than anticipated vacation balances, which resulted in the need to provide shift coverage as employees used vacation hours.

The Office of the City Clerk's overtime expenditures exceeded budget by \$404 (27.2%) due to aged compensation time payout to a retiree.

## 2001-2002 Departmental Overtime Expenditures and Variances

Department	Modified	Modified	Modified	Overtime	Overtime	Total	Total	%
	Overtime	Overtime	Overtime	Actuals	Actuals			
	Budget	Budget	Budget	General	Other	Overtime	Budget to	
	General	Other	Budget	General	Other	Actuals	Actuals	
	Fund	Funds	TOTAL	Fund	Funds	TOTAL	Variance	Variance
Airport		558,840	558,840		403,845	403,845	154,995	27.7%
City Attorney	17,650	-	17,650	5,547	445	5,992	11,658	66.1%
City Auditor	-	-	-	31	-	31	(31)	0.0%
City Clerk	1,486	-	1,486	1,890	-	1,890	(404)	(27.2%)
City Manager	51,697		51,697	45,285	1,553	46,838	4,859	9.4%
Conv., Arts & Entertainment		228,409	228,409		432,993	432,993	(204,584)	(89.6%)
Economic Development	-	-	-	438	-	438	(438)	0.0%
Employee Services	19,758	-	19,758	15,747	862	16,609	3,149	15.9%
Environmental Services	-	1,074,632	1,074,632	2,375	963,947	966,322	108,310	10.1%
Equality Assurance	4,713		4,713	154	-	154	4,559	96.7%
Finance	69,693	23,241	92,934	75,841	3,244	79,085	13,849	14.9%
Fire	7,162,814	-	7,162,814	6,769,835	-	6,769,835	392,979	5.5%
General Services	288,074	149,332	437,406	436,461	251,693	688,154	(250,748)	(57.3%)
Mayor and City Council			-	3,356		3,356	(3,356)	0.0%
Housing		28,643	28,643	1,046	12,451	13,497	15,146	52.9%
Independent Police Auditor	6,500	-	6,500	2,438	-	2,438	4,062	62.5%
Information Technology	101,270	4,200	105,470	103,315	336	103,651	1,819	1.7%
Library	160,910	30,000	190,910	176,536	32,172	208,708	(17,798)	(9.3%)
Parks, Rec. & Neigh. Svcs.	418,527	-	418,527	432,124	1,019	433,143	(14,616)	(3.5%)
Planning, Bldg. & Code Enf.	522,677	-	522,677	457,911	3,363	461,274	61,403	11.7%
Police	11,548,839		11,548,839	11,165,353	20,041	11,185,394	363,445	3.1%
Public Works	122,024	1,618	123,642	113,126	3,618	116,744	6,898	5.6%
Transportation	691,530	620,343	1,311,873	623,052	650,301	1,273,353	38,520	2.9%
	21,188,162	2,719,258	23,907,420	20,431,861	2,781,883	23,213,744	693,676	2.9%

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## II. OTHER FUNDS

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## ENTERPRISE FUNDS

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### Airport Capital Funds

The Airport Capital Funds finance the Airport's capital expenditures and consist of the Airport Capital Improvement Fund, the Airport Renewal and Replacement Fund, the Airport Passenger Facility Charge Fund, and the Airport Revenue Bond Improvement Fund.

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#### *Airport Capital Funds*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 198,056	\$ 195,511	\$ (2,545)	(1.3%)
<i>Expenditure</i>	244,922	140,436	104,486	42.7%
<i>Fund Balance (est. *)</i>	176,496 *	206,721	30,225	17.1%

The negative revenue variance of \$2.5 million is due to lower than anticipated transfers (\$1.5 million) and slightly lower than estimated revenues (\$1.0 million). The full transfer to the Airport Renewal and Replacement Fund was unnecessary due to capital project savings. Revenues were slightly lower than estimated primarily in the Airport Renewal and Replacement Fund and are attributed to a change in the funding mechanism for the Rental Car Service Center Move (\$2.6 million). Initially it was anticipated that the Airport would undertake and administer the relocation of rental car facilities to another location on the Airport. However, the rental car tenants undertook the project themselves, and as a result the flow of project funds and revenues was not necessary. Offsetting this decrease in estimated revenues were increases in interest income (\$1.6 million) and collection of Passenger Facility Charges (PFCs) (\$638,000). Despite the September 11 terrorist attacks which resulted in lower passenger activity levels than the prior year, PFC revenues ended the year higher than the revised estimate.

The expenditure variance was primarily due to lower than estimated project expenditures (\$107.8 million). The following is a list of major unexpended projects (\$000's):

Extend and Strengthen Runway 30L	\$ 29,564
Consolidated Terminal Concept	20,737
Skyport Grade Separation	10,965
Taxiway Z Apron	8,547
Taxiway Z Extension	5,703
Noise Attenuation Treatment – Schools	4,068
Noise Attenuation Treatment – Category I	3,685

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## ENTERPRISE FUNDS (CONT'D.)

### Airport Capital Funds (Cont'd.)

Rental Car Service Center Move	2,625
Rental Car Garage Designs	2,114
Traffic Mitigation	2,070
Remote Transmitter Receiver	1,740
Alternative Fueling Station	1,495
Federal Inspection Service Facility	1,409
Security System Upgrades	1,387
Transportation Improvements	915
Interim Security Design	828
Equipment, Operating	<u>671</u>
<b>Total</b>	<b>\$ 98,523</b>

The following is an explanation of major project variances:

- The Extend and Strengthen Runway 30L project variance reflects an anticipated rebudget of funds to the current year (\$26.1 million). The remaining amount was anticipated project savings to coordinate the budget with the actual 30L project bond issuance receipts.
- In order to focus on the security mandates recently passed by Congress, the following projects were delayed pending the development of an overall Airport security plan: Consolidated Terminal Concept Design, Taxiway Z Apron, Taxiway Z Extension, and Rental Car Garage Designs.
- The Skyport Grade Separation project was delayed in order for the Airport to determine an interim solution to traffic issues on the Airport landside, which resulted in a proposal to alter the roadway geometry into a one-way loop. Approximately \$10.9 million in savings were anticipated and have been rebudgeted to 2002-2003.
- The Noise Attenuation Treatment - Schools project variance was due to a combination of two factors. One of the schools identified for acoustical treatment is designated a historic landmark. The treatment plan therefore required additional coordination with State and local agencies as well as the Federal Aviation Administration (FAA). Treatment approval has been received; however, the scope of the design work has been expanded, impacting the project schedule. As a result, the balance has been rebudgeted to 2002-2003.

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**ENTERPRISE FUNDS (CONT'D.)**

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**Airport Capital Funds (Cont'd.)**

- Noise Attenuation Treatment – Category I project variance is due to the net effect of schedule adjustments, unspent funds and scope revisions. Approximately \$3.7 million in savings was anticipated and has been rebudgeted to 2002-2003.
- The Rental Car Service Center Move project included the relocation of rental car tenants from facilities south of Terminal C to another area on the Airport. It was anticipated that this project would be administered by the Airport and would be funded by a Rental Car Reimbursement (mentioned above). However, the rental car tenants undertook the project themselves and the funding was no longer necessary.
- The Traffic Mitigation project was placed on hold when decisions were made to reconsider the Master Plan roadway and terminal concepts after September 11. Until the concepts can be finalized, the intersection upgrades cannot be properly designed. Funding for this project has been budgeted in 2003-2004 and 2004-2005.
- In order to expedite the Remote Transmitter Receiver Relocation project and eliminate the need to renegotiate airline lease agreements, alternative funding for the project was established in the Airport Renewal and Replacement Fund. As a result, project savings occurred in the Airport Bond Improvement Fund.
- A change in contract management resulted in a delay to the Alternative Fueling Station project schedule. Funding for this project has been rebudgeted to 2002-2003.
- The Federal Inspection Services Facility variance is due to a combination of project management and contingency funding savings, of which \$700,000 has been rebudgeted to the current year. The contractor has experienced a number of issues that resulted in project delays. As a result, project management costs were lower than anticipated in 2001-2002, and project savings will be rebudgeted to the current year.
- The Security System Upgrades project variance reflects unspent project management and contingency funds along with project savings. Approximately \$1.2 million of anticipated savings were rebudgeted to the current year.
- The Transportation Improvements project savings is due to the design contract for the Skyport Boulevard Grade Separation project being moved to a separate appropriation in the Airport Passenger Facility Charge Fund.



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**ENTERPRISE FUNDS (CONT'D.)**

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**Airport Capital Funds (Cont'd.)**

- The Interim Security Design project provides funding to study and plan the Airport's response to recent federal security mandates. Continued coordination with the new Transportation Security Agency (TSA), as well as the development of new security options required significant funding increases at the end of 2001-2002. A balance remained at year-end, and as a result, a rebudget of funds is being recommended in this document.
- The Equipment, Operating project variance is due to several factors: the liquidation of several encumbrances, equipment savings and unspent funds. Approximately \$200,000 of the project savings balance has been rebudgeted to the current year.

The remaining \$6.0 million variance involves a number of projects with less than \$300,000 in unexpended funds. The majority of the unexpended funds, excluding those that are savings, have been or will be recommended for rebudget for expenditure in the current fiscal year.

The positive 2001-2002 ending fund balance variance (\$30.2 million) was a result of lower than estimated revenues and transfers of \$1.6 million and lower than anticipated expenditures of \$31.8 million. The largest element of the revenue variance is primarily attributed to the decrease in the transfers as mentioned above. A portion of the expenditure savings are being recommended for rebudget to provide sufficient funding for projects in the current fiscal year. In addition, a portion of the expenditure savings will remain unallocated as the Airport continues to review its capital project priorities in order to focus on meeting the security mandates.

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## ENTERPRISE FUNDS (CONT'D.)

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### Airport Operating Funds

The operating funds for the Airport Department consist of the following: Airport Customer Facility and Transportation Fee Fund, Airport Revenue Fund, Airport Maintenance and Operation (M&O) Fund, Airport Surplus Revenue Fund, and the Airport Fiscal Agent Fund.

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#### *Airport Operating Funds*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 416,183	\$ 414,739	\$ (1,444)	(.3%)
<i>Expenditure</i>	414,251	401,704	12,547	3.0%
<i>Fund Balance (est. *)</i>	47,266	54,540	7,274	15.4%

The events of September 11 combined with the decline in the local economy had a severe impact to revenue generating activities at the Airport. Mid-year actions included reductions to the Airport's revenue estimates by \$17.6 million as well as offsetting project reductions to the 2001-2002 Airport Capital program. This action brought revenues into alignment with the anticipated year-end budget expectations.

Approximately 60.6% of the Airport's total budgeted Operating Fund revenues, or \$252.1 million, represent receipts from revenue generating activities at the Airport, interest income, and bond revenue. The remaining budgeted revenues represent transfers between funds (\$164.1 million).

The negative variance for revenue in the amount of \$1.4 million is due entirely to lower than anticipated transfers of approximately \$3.6 million. Transfer levels were lower than expected in the Airport Revenue, Airport Surplus Revenue and Airport Fiscal Agent Funds. The transfer to the Airport Revenue Fund was slightly below the budgeted level due to lower than anticipated interest income received from the Airport Fiscal Agent Fund. The transfer to the Airport Surplus Revenue Fund was lower primarily due to the Airport Renewal and Replacement Fund expenditures being below the budgeted level, which correspondingly lowered the transfer. The transfer to the Airport Fiscal Agent was lower than budgeted to reflect the lower interest rate on the new bond issuance. Offsetting the lower transfers was an increase in revenue collections, which exceeded the Modified Budget by \$2.1 million. Revenue categories reflecting higher than anticipated revenues were Terminal Rental, Terminal Building Concessions, Parking and

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**ENTERPRISE FUNDS (CONT'D.)**

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**Airport Operating Funds (Cont'd.)**

Roadways, Other Revenues and Petroleum Products. The increase in Terminal Building Concession revenue was primarily due to food and beverage revenue and rental car privilege fees. Petroleum revenues were above anticipated budget levels due to higher fuel flowage fees generated from the fix based operators and airlines. In addition, Other Revenues were significantly higher (\$1.8 million) primarily due to increases in land rental, rented buildings, interest income and other general aviation/non-aviation revenues. Offsetting the increased revenues was a decrease in Landing Fees (\$681,000) and Airfield Area (\$97,423) reflecting a more significant decline in passenger travel than originally anticipated due to September 11 and cargo traffic.

Expenditures and transfers were below the budgeted level (\$12.5 million). This figure reflects the expenditure savings primarily in the Airport Maintenance and Operations Fund and the Airport Customer Facility and Transportation Fee Fund. In addition, transfers were lower than anticipated as a result of the Airport Renewal and Replacement Fund capital project expenditures being below the budgeted level, which correspondingly lowered the transfers from the Airport Revenue Fund and the Airport Surplus Revenue Fund. Expenditure savings in the Airport Maintenance and Operations Fund was the result of department-wide vacancy savings and non-personal savings. The Airport established a savings plan to meet targeted non-personal reductions in services, travel, training, and supplies and materials. Savings in the Airport Customer Facility and Transportation Fee Fund were due to a reduction in bus service hours for the rental car shuttle bus program. The reduction in service was driven by the need to reduce costs in the wake of September 11 activity decreases.

The overall positive fund balance variance of \$7.3 million was the combined result of higher than estimated revenues and lower than estimated transfers and expenditures as described above.

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## ENTERPRISE FUNDS (CONT'D.)

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### General Purpose Parking Fund

The General Purpose Parking Fund accounts for the operations of City parking facilities and parking meters. Financing and capital construction of parking facilities are also accounted for within this fund.

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*General Purpose  
Parking Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 12,169	\$ 11,870	\$ (299)	(2.5%)
<i>Expenditure</i>	13,601	8,239	5,362	39.4%
<i>Fund Balance (est. *)</i>	16,091 *	15,705	(386)	(2.4%)

The revenue variance of \$299,000 is primarily due to a decrease in the amount of revenue collected from City parking lots. The economic slowdown caused a drop in the number of transient parkers in the downtown area. Ongoing revenue collected from on-street and off-street parking operations is projected to increase in 2002-2003 due to a parking rate increase for City parking lots and parking meters that was approved by City Council in June 2002 to provide funding for the construction of additional parking facilities consistent with the Parking Management Plan. The revenue levels for 2002-2003 will be monitored closely, and if revenue estimates track lower than anticipated, appropriate adjustments will be made to the General Purpose Parking Fund during the year.

Expenditure savings in the General Purpose Parking Fund for 2001-2002 totaled \$5.4 million, primarily in the Capital Program, Personal Services costs for the Department of Transportation, and non-personal/equipment expenses for the Department of Transportation. Personal services expenses ended the year below budget by approximately \$189,000 (16.3%) due to vacancy savings. Non-Personal/Equipment expenses experienced a savings of approximately \$1.2 million due to lower costs in contractual services, including several programs, which were not implemented because of the slowdown in the economy (Valet/Stack Parking, Car/Vanpool Program, and Eco-Pass Subsidy). Of this amount, \$400,000 was rebudgeted to 2002-2003 in the Adopted Operating Budget. In addition, several capital projects had costs carried over to 2002-2003. The balance of the costs needed to complete the projects were rebudgeted as part of the 2002-2003 Adopted Capital Budget for the Parking Guidance System (\$2,637,000), Revenue Control Equipment Replacement (\$887,000), Facility Improvements (\$307,000), and Peripheral

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**ENTERPRISE FUNDS (CONT'D.)**

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**General Purpose Parking Fund (Cont'd.)**

Parking Lot Improvements (\$129,000) projects. Technical adjustments to the rebudgets for the Facility Improvements program (-\$58,600) and Peripheral Parking Lot Improvements program (-\$20,600) are recommended in this report to reflect the actual savings at the end of the fiscal year.

The small negative variance of \$386,000 in the ending fund balance reflects the combination of the decrease in revenue from transient parkers, higher than estimated contractual services costs, capital expenditures above the estimated amount, and an increase in the amount of surplus revenue transferred to the Convention and Cultural Affairs Fund.

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## ENTERPRISE FUNDS (CONT'D.)

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### Sanitary Sewer Connection Fee Fund

The Sanitary Sewer fees are connection fees charged to new development to access the City's sanitary sewer system. The use of these funds are restricted to the construction and reconstruction of the system.

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*Sanitary Sewer  
Connection Fee Fund*

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 5,129	\$ 4,778	\$ (351)	(6.8%)
<i>Expenditure</i>	40,724	32,183	\$ 8,541	21.0%
<i>Fund Balance (est.)*</i>	19,323 *	18,924	\$ (399)	(2.1%)

The negative revenue variance of \$351,000 was primarily due to lower than budgeted Joint Participation revenues (\$729,000 variance), partially offset by higher Connection Fees (\$375,000 variance) and interest earnings (\$33,000 variance). Joint Participation revenues were less than estimated due to schedule changes in several projects that lowered the amount reimbursed from other agencies.

The \$8.5 million positive expenditure variance is primarily attributed to lower than estimated project expenditures. Of this amount, \$4,854,000 was rebudgeted in the Adopted Capital Budget for 2002-2003. The following is a list of major unexpended projects (\$000's):

Flow Monitoring Project	\$ 2,238
Infiltration Reduction	1,832
Edenvale Sanitary Supplement	1,653
Monterey-Riverside Supplement	681
Monterey-Riverside Sewer	595
Miscellaneous Projects	495
<b>Total</b>	<b>\$ 7,494</b>

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**ENTERPRISE FUNDS (CONT'D.)**

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**Sanitary Sewer Connection Fee Fund (Cont'd.)**

The following is an explanation of project variances:

- Flow Monitoring Project – Delays in the processing of the consulting agreement resulted in project expenditure savings of \$2.2 million. A rebudget of the full \$2.2 million was included in the 2002-2003 Adopted Capital Budget.
- Infiltration Reduction – The project variance was due to a lower than anticipated bid on this project. In addition, there was a lower than expected number of sanitary sewer projects under the Inflow and Infiltration Reduction Program during 2001-2002. Funding for this project is aimed at reducing the groundwater and surface runoff into the sanitary sewer system through the Inflow and Infiltration Reduction Program. Rebudgets totaling \$1.8 million were included in the 2002-2003 Adopted Capital Budget.
- Edenvale Sanitary Supplement – Public Works staff has determined that the current sanitary sewer capacity is adequate in the near-term for the recent projected development levels in the Edenvale and Coyote areas. This project is being deferred to allow for the advancement of other neighborhood sewer improvements.
- Monterey-Riverside Supplement - The construction schedule has been extended. Funding of \$470,000 was rebudgeted in the 2002-2003 Adopted Capital Budget. The rebudget of the remaining savings (\$211,000) is recommended for 2002-2003 in this document.
- Monterey-Riverside Sewer – Savings of \$595,000 resulted from a lower than budgeted bid on this project.
- Miscellaneous Projects – Savings in this category, designated for emergency pipe repair or rehabilitation, resulted because these funds were not needed in 2001-2002.

The remaining \$1.0 million variance involves a number of projects with savings of less than \$300,000.

Several projects did not meet sufficient savings to cover the amount programmed in the 2002-2003 Adopted Capital Budget. Therefore, a total budget reduction of \$56,000 is included in this document for the Edenvale Sanitary Supplement (\$47,000) and the Almaden Boulevard project (\$8,000).

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**ENTERPRISE FUNDS (CONT'D.)**

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**Sanitary Sewer Connection Fee Fund (Cont'd.)**

The Sanitary Sewer Connection Fee Fund ended the year slightly below the estimated fund balance (\$399,000 variance) primarily due to lower than estimated levels of revenues. Also included in this variance is a technical adjustment to correct a fund balance error from 2000-2001 (\$26,000).



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## ENTERPRISE FUNDS (CONT'D.)

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### Sewer Service and Use Charge Capital Improvement Fund

The Sewer Service and Use Charge Capital Improvement Fund receives a \$16 million annual transfer from the Sewer Service and Use Charge Operating Fund. These funds are used for the reconstruction of the Sanitary Sewer System.

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 16,624	\$ 17,683	\$ 1,059	6.4%
<i>Expenditure</i>	41,989	28,011	\$ 13,978	33.3%
<i>Fund Balance (est. *)</i>	22,435 *	24,740	\$ 2,305	10.3%

The positive revenue variance of \$1.1 million is the result of higher than budgeted interest collections.

The \$13.98 million positive variance in expenditures is primarily attributed to lower than estimated project expenditures. Of this amount, \$1,072,000 was rebudgeted in the 2002-2003 Adopted Capital Budget. The following is a list of major unexpended projects (\$000's):

60" Brick Interceptor	\$ 6,707
60" Reinforced Concrete Pipe	3,773
Trimble Morrill Sewer	842
Evergreen Sewer	639
East San Jose	524
Forest-Rosa Rehab	496
Miscellaneous Rehabilitation Projects	374
<b>Total</b>	<b>\$ 13,355</b>

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## ENTERPRISE FUNDS (CONT'D.)

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### Sewer Service and Use Charge Capital Improvement Fund (Cont'd.)

The following is an explanation of project variances:

- 60" Brick Interceptor – Negotiations with the consultant took longer than anticipated which resulted in minor delays during the start of design work. The majority of the savings was reprogrammed to 2002-2003 in the 2002-2003 Adopted Capital Budget.
- 60" Reinforced Concrete Pipe – The project variance resulted from a delay in this project to fund other higher priority neighborhood sanitary sewer projects. The majority of this project has been reprogrammed for future years. A rebudget of \$100,000 is included in this document for design costs in 2002-2003.
- Trimble Morrill Sewer – Savings in this project resulted from a lower than budgeted bid.
- Evergreen Sewer – The current market conditions, along with increased competition resulted in lower materials costs needed for construction and rehabilitation. Actual project expenditures were lower than anticipated.
- Forest-Rosa Rehab – The project savings resulted from lower than anticipated materials costs. In addition, the project schedule has been extended. A rebudget of \$40,000 was included in the 2002-2003 Adopted Capital Budget.
- Miscellaneous Rehabilitation Projects – Savings in this category, designated for emergency pipe repair or rehabilitation, resulted because these funds were not needed in 2001-2002.

The remaining \$623,000 variance involves a number of projects with less than \$250,000 in unexpended funds, and is largely attributed to delays in project awards due to bid irregularities and other project schedule changes.

Rebudgets totaling \$30,000 for 2002-2003 are included in this document for the following projects: Taylor Street Brick Sewer (\$15,000) due to contractor delays, San Pedro Street Rehabilitation (\$10,000) due to delays in closing this project, and the San Tomas Aquino Creek Trunk (\$5,000) for construction and staff time. Additional 2002-2003 funds are also recommended for the San Tomas Aquino Creek Trunk project (\$210,000) to meet the cost estimate needed to award a contract, and the 60" Reinforced Concrete Pipe project (\$100,000) for design and construction support based on sewer condition assessments performed by staff.

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**ENTERPRISE FUNDS (CONT'D.)**

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**Sewer Service and Use Charge Capital Improvement Fund (Cont'd.)**

Several projects did not meet sufficient savings to cover the amount programmed in the 2002-2003 Adopted Capital Budget. Therefore, a total 2002-2003 budget reduction of \$461,000 is included in this document for the 60" Brick Interceptor Rehabilitation project (\$348,000) and the 5<sup>th</sup> Street Sanitary Sewer and Storm Drain Relocation and Improvements project (\$113,000).

The 2001-2002 ending fund balance variance (\$2.3 million) reflects the combination of higher than expected interest collections and lower than estimated expenditures as discussed above.

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## ENTERPRISE FUNDS (CONT'D.)

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### Treatment Plant Capital Fund

This fund accounts for the construction of improvements and the purchase of equipment for the Water Pollution Control Plant.

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#### *Treatment Plant Capital Fund*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 19,728	\$ 16,464	\$ (3,264)	(16.5%)
<i>Expenditure</i>	131,841	48,349	\$ 83,492	63.3%
<i>Fund Balance (est.)*</i>	140,602 *	139,996	\$ (606)	(.4%)

The negative revenue variance of \$3.3 million is mainly due to lower than budgeted contributions from tributary agencies (\$6.8 million variance) due to project delays. These revenues are received from tributary agencies for capital projects and expenditures. This is partially offset by higher than budgeted interest collections (\$3.0 million variance) and other miscellaneous revenues (\$500,000).

Unexpended project funds resulted in a \$83.5 million positive variance in budgeted program expenditures. Of this amount, \$70.0 million was rebudgeted in the Adopted Capital Budget for 2002-2003. The following is a list of projects that have an unexpended balance exceeding \$500,000:

	<u>(\$000's)</u>
Revised SBAP - SBWR Extension	\$ 44,315
Bufferland Evaluation and Acquisition	18,443
Revised SBAP - Environment Enhancement	5,091
WPCP Reliability Improvements	3,826
CWFA Debt Service Payment	3,257
Revised SBAP - I/I Reduction	2,805
Plant Infrastructure Improvements	1,657
Salt Marsh Restoration	1,500
Revised SBAP - Industrial Recycle/Reuse	932
Electrical System Improvements	<u>920</u>
<b>Total</b>	<b>\$ 82,746</b>

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**ENTERPRISE FUNDS (CONT'D.)**

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**Treatment Plant Capital Fund (Cont'd.)**

The following is an explanation of project variances:

- Revised South Bay Action Plan (SBAP) – South Bay Water Recycling (SBWR) Extension – Construction of SBWR projects were delayed due to administrative and legal issues, including protracted negotiation of the Silver Creek Pipeline to the Metcalf Energy Center, and the need to file suit to obtain access to the Zone 3 Reservoir site.
- Bufferland Evaluation and Acquisition – Negotiations are currently in progress. Funds were rebudgeted in the 2002-2003 Adopted Capital Budget.
- Revised SBAP – Environment Enhancement – Rising energy costs and changing regulatory requirements prevent this project from being implemented at this time. Further study and analysis will be used to determine project's appropriateness.
- Water Pollution Control Plant (WPCP) Reliability Improvements – Savings in this project resulted from delays in project award. Savings are included in this document for rebudget to 2002-2003.
- Clean Water Financing Authority Debt Service Payment – Savings in this appropriation resulted from a double budgeting of this payment. Debt Service payments were made out of the Treatment Plant Income Fund.
- Revised SBAP – I/I Reduction – Water conservation efforts combined with drier weather conditions have resulted in lower plant flows and fewer projects being submitted for this program, aimed at reducing the groundwater and surface runoff entering the sewer system.
- Plant Infrastructure Improvements – The majority of savings in this project was rebudgeted in the 2002-2003 Adopted Capital Budget. Savings of \$220,000 on the East Primary Influent Gate project and scope changes pending the final design of the WPCP Reliability Improvements project resulted in additional savings.
- Salt Marsh Restoration – Project delays have resulted due to legal issues with the Port of Oakland and CalTrans. The expenditure variance was rebudgeted as part of the 2002-2003 Adopted Capital Budget.

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**ENTERPRISE FUNDS (CONT'D.)**

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**Treatment Plant Capital Fund (Cont'd.)**

- Revised SBAP – Industrial Recycle/Reuse – Economic uncertainty has slowed interest in the program and severely impaired most industrial facilities' abilities to invest in new projects.
- Electrical System Improvements – The project variance resulted from a delayed contract award. The majority of these savings were rebudgeted in the 2002-2003 Adopted Capital Budget.

The remaining \$746,000 variance involves a number of projects with savings of less than \$500,000.

Several projects did not meet sufficient savings to cover the amount programmed in the 2002-2003 Adopted Capital Budget. Therefore, a total budget reduction of \$3.9 million is included in this document for the Revised SBAP – SBWR Extension (\$3.3 million), Equipment Replacement (\$273,000), Plant Infrastructure Improvements (\$158,000), Electrical System Improvements (\$72,000), Bufferland Evaluation and Acquisition (\$44,000), Revised SBAP – Industrial Recycle/Reuse (\$32,000), and the South Bay Water Recycling Program (\$31,000).

The Treatment Plant Capital Fund ended the year slightly below the estimated fund balance (\$606,000 variance) due to lower than estimated levels of revenues.

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## ENTERPRISE FUNDS (CONT'D.)

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### Treatment Plant Operating Funds

The Treatment Plant Operating Funds are used for the operation and maintenance of the sanitary sewer system and the regional Water Pollution Control Plant (WPCP). Funds included in this category are the Treatment Plant Operating Fund, Treatment Plant Income Fund, Sewage Treatment Plant Connection Fee Fund and the Sewer Service and Use Charge Fund.

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#### *Treatment Plant Operating Funds*

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 125,852	\$ 126,316	\$ 464	0.4%
<i>Expenditure</i>	157,500	150,656	\$ 6,844	4.3%
<i>Fund Balance (est.)*</i>	65,794 *	68,974	\$ 3,180	4.8%

Year-end revenues were above budgeted levels in three of the four funds included in this category, resulting in an overall positive revenue variance of \$464,000. Revenue in the Sewage Treatment Plant Connection Fee Fund was above budgeted levels by \$791,000, primarily due to higher than anticipated connection fees and interest collections. In the Treatment Plant Income Fund, revenues were \$710,000 above the budgeted levels largely due to reimbursements from the Santa Clara Valley Water District for the Ultra Low Flush Toilet program. In the Sewer Service and Use Charge Fund, revenues ended the year \$2.0 million higher than the budgeted level due to higher than anticipated sewer collections and interest earnings. The positive revenue variances in these funds were partially offset by a negative revenue variance of \$3.1 million in the Treatment Plant Operating Fund due to lower than budgeted contributions from Santa Clara and the tributary agencies, partially offset by a higher than budgeted transfer from the Sewer Service and Use Charge Fund.

Overall year-end expenditure savings of \$6.8 million was generated, resulting from savings in the Treatment Plant Operating Fund (\$3.7 million) and in the Sewer Service and Use Charge Fund (\$3.2 million). The majority of savings in the Treatment Plant Operating Fund appeared in the Environmental Services Department's appropriations (\$3.3 million). Of these savings, \$1.5 million was personal services savings due to vacancy savings and \$1.8 million was due to decreased energy and chemical expenditures, as well as the cancellation of a portion of vehicle replacements previously scheduled. A rebudget of \$60,000 in Environmental Services Department non-personal expenditure savings is included in this document for South Bay Water

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**ENTERPRISE FUNDS (CONT'D.)**

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**Treatment Plant Operating Funds (Cont'd.)**

Recycling Outreach in 2002-2003. In addition, \$35,000 of savings was rebudgeted in the 2002-2003 Adopted Operating Budget for a vehicle at the Water Pollution Control Plant. The majority of savings in the Sewer Service and Use Charge Fund can be attributed to savings in the Department of Transportation (\$1.2 million) due to a reversal of charges for vehicle replacements that did not take place during the year and vacancy savings, major litigation costs (\$600,000), and vacancy savings in the Public Works Department (\$490,000). An unexpended expenditure budget allocation of \$235,000 was rebudgeted by the Department of Transportation in the 2002-2003 Adopted Operating Budget for equipment related to sanitary sewer maintenance. In addition, a downward adjustment of \$56,500 to the amount rebudgeted for the Department of Transportation is included in this document to account for two sanitary sewer pumps that were replaced in 2001-2002 and will not need to be purchased this fiscal year.

The actual year-end fund balance exceeded estimates in all four of the funds included in this category. The largest fund balance variance occurred in the Sewer Service and Use Charge Fund, where the fund balance was \$1.6 million due to lower than anticipated expenditures as discussed above.



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## ENTERPRISE FUNDS (CONT'D.)

### Water Funds

The Municipal Water Funds include the capital and operating programs (Water Utility Capital Fund, Major Water Facilities Fee Fund, and Water Utility Fund) related to the operations of the Municipal Water System, which provides water service to the North San Jose, Evergreen, Alviso, Edenvale, and Coyote areas. These funds are financed through user charges.

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#### *Water Funds*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 19,910	\$ 19,105	\$ (805)	(4.0%)
<i>Expenditure</i>	31,210	21,064	\$ 10,146	32.5%
<i>Fund Balance (est. *)</i>	19,989 *	19,789	\$ (200)	(1.0%)

The negative revenue variance (\$805,000) is primarily the result of lower than budgeted Water Sales collections (\$507,000), Major Facilities Fees (\$643,000), and Service Connection Fees (\$209,000), partially offset by higher than anticipated interest earnings (\$501,000). Major Facilities Fee revenues ended the year below anticipated levels due to the reimbursement of a portion of these fees (\$412,000), previously paid by developers, as a result of delays in development primarily in North San Jose. Service Connection Fee revenues recover actual cost to install new services. The negative variance in both Major Water Facilities Fees and Service Connection Fee revenues reflects lower than anticipated costs, thus having no adverse impact on the Funds.

A large portion of the expenditure savings occurred in the capital program (\$8.2 million). As part of the 2002-2003 Adopted Capital Budget, a total of \$6,574,000 was rebudgeted for the following projects: North Coyote Valley Water System (\$6,539,000) and North First Street Parallel Main (\$35,000). However, the North Coyote Valley Water System project did not achieve sufficient year-end savings to cover the original rebudget amount. As a result, a budget reduction of \$3,000 is recommended in this document for this project. In addition, a reduction to the Edenvale Well #4 project of \$2,000 is also recommended in this document due to higher than anticipated expenditures levels, as estimated in the 2002-2003 Adopted Capital Budget.

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**ENTERPRISE FUNDS (CONT'D.)**

**Water Funds (Cont'd.)**

Included in this document is a recommended rebudget of expenditure savings of \$218,000 for 2002-2003 for the following projects: Service Installations (\$116,000), Villages Reservoir Rehabilitation (\$48,000), Infrastructure Replacements (\$27,000), and System Maintenance and Repairs (\$27,000). Additional 2002-2003 funding is also recommended for Service Installations (\$97,000) and Infrastructure Replacements (\$49,000) to ensure adequate funding for annual repairs.

Significant savings also occurred in the Environmental Service Department non-personal/equipment appropriation (\$1.9 million). The majority of this savings was the result of lower than budgeted water purchases (corresponding to the lower than anticipated water sales).

The cumulative variance in fund balances (\$200,000) was due primarily to the refund of development fees. Had the refund not been made, the cumulative variance in fund balances would have been positive.

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## SPECIAL REVENUE FUNDS

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### Anti-Tobacco Master Settlement Agreement Revenue Fund

The attorneys general of most states and the major United States tobacco companies agreed to settle more than 40 pending lawsuits brought by states against the tobacco industry. This fund accounts for monies received through the Master Settlement Agreement (MSA) signed by parties to the lawsuit on November 23, 1998.

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***Anti-Tobacco Master  
Settlement Agreement  
Revenue Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 11,725	\$ 13,005	\$ 1,280	10.9%
<i>Expenditure</i>	20,013	18,423	1,590	7.9%
<i>Fund Balance (est. *)</i>	13,685 *	15,207	1,522	11.1%

The \$1.28 million revenue variance is primarily the result of higher than anticipated receipt of master tobacco settlement payments (\$1.45 million) offset by slightly lower than estimated interest earnings (\$70,000). The amount of each payment is difficult to estimate and subject to change depending on a number of factors including inflation, sales by the tobacco industry, and changes in market shares of the settling tobacco companies. Thus, variances between the projected and actual amounts are likely to occur.

The \$1.6 million expenditure variance reflects unexpended project funds. Rebudgets of unexpended funds are recommended in this report as a result of the year-end review. Several projects require rebudget action, including Addressing Gaps in Aging Services (\$370,000), San Jose Downtown College Prep (\$150,000), Books for Little Hands (\$85,000), and the Children's Health Initiative (\$100,000).

The 2001-2002 ending fund balance is \$1.5 million higher than estimated due primarily to expenditure savings and higher than projected tobacco settlement payments. A portion of this amount is recommended in this report to be used to rebudget various projects.

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## SPECIAL REVENUE FUNDS (CONT'D.)

### Benefit Funds

The Benefit Funds consist of the Dental Insurance, Life Insurance, Unemployment Insurance, and Benefit Fund. These funds account for the provision and financing of benefits to City employees, retirees, and their dependents.

#### *Introduction*

The Benefit Funds are designed to generate revenues sufficient to cover administrative costs, anticipated claims, and the claims reserve for each fund. Benefit rates are then determined to produce the necessary revenues to cover the projected costs.

These funds are not designed to carry significant unrestricted fund balances, though they do carry adequate claims reserves. Therefore, when unrestricted fund balances are realized as a result of higher revenues than expenditures in a particular year, the budgets for the following year are developed with the intention of reducing those balances through downward rate adjustments. Conversely, rates are increased to augment claims reserves as needed.

<u>Benefit Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 44,527	\$ 44,687	\$ 160	0.4%
<i>Expenditure</i>	45,592	43,860	1,732	3.8%
<i>Fund Balance (est. *)</i>	5,023 *	4,982	(41)	(.8%)

#### *Overview of 2000-2001 Activity by Fund*

- **Dental Insurance Fund:** Revenues were above the modified budget by 11%. Revenues were higher than anticipated due to slightly higher than anticipated collection through the interfund charge process, as well as higher than expected participation from retirees in the dental plan. Expenditures were below budget by \$520,000. The positive expenditure variance reflects claims costs which were lower than anticipated for the Delta Dental Plan, and lower than expected expenditures for contractual services. The fund balance exceeded estimated levels by \$72,000 due primarily to the higher than anticipated revenues.

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**SPECIAL REVENUE FUNDS (CONT'D.)**

**Benefit Funds (Cont'd.)**

***Overview of 2000-2001 Activity by Fund (Cont'd.)***

- **Life Insurance Fund:** Revenues ended the year lower than the budgeted level by 6%. The impact of not filling vacancies affected both the City's contribution and participant contributions. Expenditures were \$597,000 or 30% lower than budgeted. The variance in expenditures was mainly due to a planned lack of spending against the Liquidation of Life Insurance Reserve appropriation (\$553,000). Many components within the Liquidation of Life Insurance Reserve appropriation are scheduled to be expended over a 10-year period. The fund balance was higher than estimated (\$5,000) due to lower than estimated levels of expenditures.
- **Unemployment Insurance Fund:** Revenues ended the year below the modified budget level by \$23,000, or 9%. Expenditures were below the modified budget level by \$4,000. Expenditures and revenues tracked closely to the modified budget level because this fund was monitored closely due to the high number of unemployment claims in Santa Clara County and the increased maximum benefit amount effective in January 2002. The fund balance exceeded estimated levels by \$4,000, reflecting the lower than estimated expenditures.
- **Benefit Fund:** Revenues and expenditures within this fund represent the amount City departments contribute to several specific employee benefits. Health coverage is the largest of the benefits, but also included are revenues and expenditures for Municipal Employees Federation legal assistance, Operating Engineers Local 3 vision care, FICA-Medicare payments, PTC-457 Program which include part-time and contractual employee defined contribution retirement plan contributions and Employee Assistance Program counseling.

Excluding interest income, operating expenditures exceeded revenues from Transfers by \$136,000. Higher than anticipated revenues from the PTC 457 Program contributions for part-time and contractual employees participation in the deferred compensation program were offset by lower than expected revenues from the FICA-Medicare payments, Health coverage, Employee Assistance Program (EAP) and Municipal Employees Federation (MEF) legal assistance. The variance between revenues and expenditures for FICA-Medicare payments (\$85,000), PTC 457 (\$6,000) and EAP (\$17,000) reflected expenditures from the previous year that were not recorded correctly. Ending fund balance was utilized to offset these prior year costs.

The fund balance was lower than estimated levels by \$121,000. This reflects the combined impact of lower than estimated expenditures (\$254,000) and lower than anticipated revenues (\$375,000).

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Building and Structure Construction Tax Fund

The Building and Structure Construction Tax is a tax on residential, commercial and industrial development. The use of these funds, along with grant revenue, is restricted to traffic capital improvements on major arterials and collectors, including bridges, culverts, lighting, and traffic control systems that increase traffic volume.

<hr/> <b><i>Building &amp; Structure Construction Tax Fund</i></b>
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	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 25,763	\$ 19,881	\$ (5,882)	(22.8%)
<i>Expenditure</i>	62,322	28,210	34,112	54.7%
<i>Fund Balance (est.)*</i>	39,936 *	48,177	8,241	20.6%

Total revenues of \$19.9 million include receipts from the Building and Structure Construction Tax, grants from the federal government and the Valley Transportation Authority (VTA), transfers from the Redevelopment Agency (RDA) for the Route 87 project, interest, and miscellaneous revenues. The negative revenue variance (\$5.9 million) is primarily due to project delays that impact the timing of reimbursements from other agencies as well as lower than anticipated reimbursements for certain projects. Although the variance to the budgeted figure is \$5.9 million, the estimates for 2001-2002 that were used in the development of the 2003-2007 Capital Improvement Program (CIP) varied from actual year-end results by only \$918,000 or 4%.

The revenue variance has been caused primarily by the following projects. The final reimbursement from the City of Milpitas for a portion of the costs of the Cisco-Tasman project (\$2.9 million) was not received because the total project cost was less than initially anticipated, reducing the contribution from the City of Milpitas. The Valley Transportation Authority – Intelligent Transportation System (VTA-ITS) Airport Area project and its associated reimbursements (\$1.4 million) were delayed by the need to reconfigure the fiber optic network to permit regional video sharing. Route 87 Equity Office payments (\$950,000) were delayed by revisions to a master co-operative agreement between the involved parties and will be received in 2002-2003. Project revenues from the RDA for Route 87 Construction Costs (\$400,000) will be transferred later than estimated because other RDA-reimbursed costs were higher than originally estimated in 2001-2002, and the Agency asked to defer until 2002-2003 payment of the

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Building and Structure Construction Tax Fund (Cont'd.)

remaining outstanding balance. The HBRR-Wooster project revenues (\$400,000) will be received later than anticipated due to project delays while environmental permits were secured as well as by the fact that the project had to be rebid after the first round of bids was rejected. Foxworthy Santa Clara Valley Water District revenues (\$240,000) represent a refund to the City and will be received later than anticipated pending an accounting reconciliation to be performed after the project has been completed. Finally, Building and Structure Construction Tax Revenues were significantly impacted by the slow-down in industrial development in the Silicon Valley area, and receipts came in \$539,000 less than the modified budgeted amount. This variance would have been larger if the revenue estimate had not been adjusted downwards by \$1.5 million during the year. This collection level of \$9.7 million compares to \$17.4 million received in 2000-2001. The negative variance in this fund was partially offset by higher than anticipated receipts for the VTA-ITS Enhancements project (\$598,000) and interest income and miscellaneous revenue (\$719,000).

Unexpended project funds resulted in a \$34.1 million positive variance in budgeted program expenditures. However, the 2001-2002 expenditure estimates used to developed the current CIP varied from actual year-end results by only \$9.0 million. The variance was caused primarily by the following projects with significant expenditure variances (\$000's):

Lester Property Area St. Improvements	\$	5,797
Oakland Road: Fox to Montague		4,292
Route 880: Stevens Creek Interchange		2,300
King Road: Penitencia Creek Bridge		2,034
Hostetter Road: Sierra Creek Road		1,836
Route 880: Coleman Interchange Upgrade		1,596
Oakland Road: Route 101 to Hedding		1,475
Willow Glen Way/Guadalupe River		1,350
King Road: Penitencia to McKee		1,216
Wooster Ave: Silver Creek Bridge		1,014
Route 101: Trimble Interchange Upgrade		1,000
Senter Road: Lewis to Capitol		917
Route 87: Funding Supplement		871
North San Jose Traffic Mitigation		850
Senter Road: Capitol to Monterey		831
Oakland Road: Route 101 to Schallenberger		684
Initial Freeway Interchange Investment Studies		600
Tully Road: Monterey to Lucretia		537
Oakland Road: Coyote Creek Bridge		434

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Building and Structure Construction Tax Fund (Cont'd.)

Route 87: Consultant Support Acceleration	396
Smart Intersections	379
Landscaping: Santa Teresa-Coleman	376
Seismic Bridge Retrofit	323
Oakland Road: Wayne Avenue/UPRR	313
Route 880: Brokaw Interchange Upgrade	300
<b>Total</b>	<b>\$ 31,721</b>

Following are descriptions of the projects' variances:

- The Lester Property Area Street Improvements project was slowed pending the expected donation of a large parcel of land to the City. The City welcomes this generous donation and is working to finalize the transaction in a timely way.
- The Oakland Road corridor projects' schedules were impacted primarily by coordination issues with Union Pacific Railroad. Before the City can widen Oakland Road, the Railroad needs to re-design its rail overcrossings to accommodate the greater number of lanes foreseen. Staff continues to work with Union Pacific Railroad to gain their agreement to prioritize the Oakland Road projects.
- The Route 880: Stevens Creek Interchange project involves payments to the VTA for the City's portion of the costs of the proposed interchange. The payment was deferred into 2002-2003 while the agreement is being finalized.
- The King Road: Penitencia Creek Bridge project was delayed due to coordination required with the Santa Clara Valley Water District (SCVWD) on flood control improvements.
- The Hostetter Road: Sierra Creek Road project was delayed by negotiations with a property owner regarding the right of way necessary to construct the project.
- The Route 880: Coleman Interchange Upgrade project – representing a payment from the City for its contribution to the larger upgrade project – was delayed into 2002-2003 pending conclusion of an agreement with the VTA.
- The Willow Glen Way / Guadalupe River project was delayed by contract negotiations with the SCVWD that have now been successfully concluded.
- The King Road: Penitencia to McKee project was similarly delayed by coordination with the SCVWD on required flood control improvements.



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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Building and Structure Construction Tax Fund (Cont'd.)**

- The Wooster Avenue: Silver Creek Bridge project was delayed by the need to rebid the project after the first round of bids was rejected, as well as by the need to acquire additional environmental permits for performing construction work in a sensitive riparian area.
- The Route 101: Trimble Interchange Upgrade project was deliberately delayed in order to transfer the savings to fund an interchange at Mabury Avenue and Route 101, a new project that will be recommended to Council.
- The Senter Road corridor projects were delayed after community feedback revealed significant resident concerns. As a result, staff is rescoping the project and will work with the community on a design that meets with their approval.
- The Route 87: Funding Supplement and Route 87: Consultant Support Acceleration projects provide funding primarily for consultant costs associated with Route 87 freeway construction. Expenditures were delayed in part pending approval of an amendment to the Route 87 Freeway Project agreement with the project consultants -- Parsons Transportation Group. Council approved the amendment in August of 2002 and expenditures will recommence this year.
- Finally, no costs were incurred for the North San Jose Traffic Mitigation project, as expected, since planned improvements in the North San Jose area, to be implemented by the County and the VTA with support from the City, are not programmed by the agencies for construction until 2003 and beyond.

The remaining variance (\$2.39 million) reflects unexpended funds in a number of projects with balances of less than \$300,000.

The 2001-2002 ending fund balance variance of \$8.2 million is the result of lower than estimated revenues (\$757,000) combined with lower than estimated expenditures (\$8.998 million). Most of this additional fund balance (\$7.6 million) has been or will be recommended for rebudget to provide sufficient funding for projects in the current fiscal year.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Community Development Block Grant Fund

This fund accounts for Federal grant monies received from the U.S. Housing Urban and Development Department under Title II of the Housing and Community Development Act of 1974 and Rental Rehabilitation Program funds.

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*Community  
Development  
Block Grant Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 15,847	\$ 16,956	\$ 1,109	7.0%
<i>Expenditure</i>	24,998	20,616	4,382	17.5%
<i>Fund Balance (est. *)</i>	1,341 *	7,578	6,237	465.1%

The \$1.1 million revenue variance is primarily the result of higher than anticipated collections related to Housing Rehabilitation (\$227,000), other loan repayments (\$300,000), and other miscellaneous revenue (\$1.3 million). The additional funds are partially offset by lower than estimated funds from the grant entitlement (-\$726,000). Rehabilitation loans are due and payable upon resale or transfer of the property and are difficult to estimate. Thus, variances between the projected and actual amounts often occur. These additional revenues were assumed in the development of appropriations in 2002-2003.

The \$4.4 million expenditure variance reflects unexpended project funds, some of which were rebudgeted to 2002-2003. Additional rebudgets of unexpended funds are also recommended in this report as a result of the year-end review. The following is a partial list of projects recommended to rebudget: Eastside Clubhouse Capital Project (\$750,000), Nursery Renovation Project (\$194,000), Goss Community Facility (\$200,000), Guadalupe-Washington Alley Reconstruction Project (\$260,000), Roosevelt Roller Hockey Rink Renovation (\$184,000), and Therapeutic Recreation and Wellness Study (\$200,000). The Revolving Loan Fund Expansion project was rebudgeted based on estimated balances at the end of the 2001-2002 fiscal year and now requires a reduction (-\$184,969) to its appropriation to reflect actual balances available for the project in 2002-2003. Additional minor savings occurred in many of the Fund's appropriations.

The 2001-2002 ending fund balance is \$6.2 million higher than estimated due to higher than projected revenue and expenditure savings. A portion of this amount is recommended in this report to be used to rebudget various projects.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Community Facilities Revenue Fund

The Community Facilities Revenue Fund was established to account for the financing and operation of the Ice Centre of San Jose and the Hayes Conference Center.

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*Community Facilities  
Revenue Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 5,204	\$ 4,828	\$ (376)	(7.2%)
<i>Expenditure</i>	4,788	4,037	751	15.7%
<i>Fund Balance (est. *)</i>	1,767 *	2,251	484	27.4%

The lower than expected revenue is mainly due to reduced rent payment from the Hayes Center. This is because of less space rented and direct debt payment from rent revenue. The lower than expected expenditure is due to savings from variable rated bonds because the interest rate went down and debt payment being made directly from rent revenue. The higher than expected fund balance is due to the combination of less revenue and less expenditure. The excess fund balance is intended to remain in reserve for future debt payment.

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## SPECIAL REVENUE FUNDS

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### Construction and Conveyance Tax Funds

The Construction Tax is a flat fee assessed on residential, commercial, and industrial development. The Conveyance Tax is imposed at a rate of \$3.30 per \$1,000 of the value of the conveyed property. Revenues collected in the Construction and Conveyance Tax Funds (C&C) are dedicated to the Park and Community Facilities Development, Communications, Fire, Library, and Service Yards capital programs.

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***Construction and  
Conveyance Tax  
Funds***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 34,739	\$ 41,541	\$ 6,802	19.6%
<i>Expenditure</i>	68,670	47,985	20,685	30.1%
<i>Fund Balance (est. *)</i>	45,544 *	53,547	8,003	17.6%

Revenues in 2001-2002 include C&C tax receipts, transfers between funds, State and Federal grants, interest, proceeds from land sales, and miscellaneous revenues.

The following lists the elements of the revenue variance (\$000's):

Construction and Conveyance Tax Revenue	\$ 6,272
Transfers of Construction and Conveyance Revenue between Funds	2,800
Interest Earnings	94
Grant & Miscellaneous Revenues	<u>(2,364)</u>
<b>Total</b>	<b>\$ 6,802</b>

Construction and Conveyance Tax revenues experienced a drop-off in 2001-2002 from the record-setting collection levels experienced in 2000-2001 due to the prolonged economic slowdown that has impacted real estate sales. Actual collections for 2001-2002 totaled \$26.3 million, a decrease of almost \$5.4 million (17%) from the prior year. While revenues fell below the 2000-2001 collection level, they exceeded the budgeted estimate of \$20.0 million by \$6.3 million. When the 2001-2002 budget was developed, it was assumed that receipts would experience sizeable declines from the estimated 2000-2001 collection level based on the sluggish state of the economy. While the drop-off did occur, receipts fell from a much higher 2000-2001 actual collection level than originally estimated.

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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Construction and Conveyance Tax Funds (Cont'd.)**

The higher than anticipated tax collections also positively impacted the transfer category because of the methodology used to distribute the tax revenue to individual Parks C&C funds.

The positive interest earnings variance was due to the higher than expected average cash balances. The lower collections in the Miscellaneous and Grants category primarily reflect grants that had been anticipated but were not received. These grants are expected to be received in 2002-2003. Partially offsetting this negative variance was the receipt of an unanticipated insurance payment (\$404,000) related to the Family Camp.

The expenditure variance of \$20.7 million, or 30.1%, is primarily the result of unexpended capital project funds. The majority of these expenditure savings (\$19.9 million) was anticipated and the funds were rebudgeted to 2002-2003 to complete these projects.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Construction and Conveyance Tax Funds (Cont'd.)

The following is a list of projects in which unexpended balances exceeded \$300,000.

		<u>(\$000's)</u>
Council District 1:	San Tomas Aquino/Saratoga Creek Trail	\$ 347
Council District 2:	Southside Center Phase II Renovation	433
Council District 5:	School Improvement Grants	950
	Community Center Landscaping	300
Council District 7:	Tully Road Softball Complex	1,190
Council District 8:	Evergreen Center Expansion	499
Council District 9:	Camden Center Expansion/Renovation	927
Central Fund:	Master Consultants	760
Communications:	Conversion of MDT's to Laptops	1,050
	Communication Equipment Replacement	491
Library:	Branch Library Bond Projects	877
	West Valley Branch Library FF&E	440
Service Yards:	West Service Yard-Emergency Power	341
City-Wide:	Guadalupe Creek/Los Alamitos	652
	Park and Recreation Bond Projects	603
	Los Gatos Creek/Lonus Extension	558
	Tuers-Capitol Golf Course	<u>354</u>
	<b>Total</b>	<b>\$ 10,772</b>

The 2001-2002 ending fund balance in the combined Construction and Conveyance Tax Funds is \$8.0 million greater than the budgeted estimate due to higher than anticipated Construction and Conveyance Tax revenue. For purposes of developing the 2002-2003 Adopted Budget, it was assumed that C&C revenues would total \$18.0 million in 2001-2002. This was \$8.3 million below the actual collection level.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Convention and Cultural Affairs Fund

The Conventions, Arts and Entertainment Fund was established to account for operations of the San Jose McEnery Convention Center, the Center for the Performing Arts (CPA), Civic Auditorium, Montgomery Theater, Exhibit Hall and their related facilities and grounds. The fund also contains the operating budget and several grant programs for the Office of Cultural Affairs.

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#### *Convention and Cultural Affairs Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 17,576	\$ 18,033	\$ 457	2.6%
<i>Expenditure</i>	19,719	18,763	956	4.8%
<i>Fund Balance (est. *)</i>	4,847 *	5,913	1,066	22.0%

The Convention and Cultural Affairs Fund ended the year in a stronger than budgeted position with higher than anticipated revenue collections. The fund ended the year with revenues of \$456,858 over the modified revenue estimate. This is mainly due to higher than expected space rental income for the last six months of the year. The overall occupancy rate was approximately 83% for 2001-2002, which is down from the 90% that was realized in 2000-2001.

Expenditure savings of \$956,036 reflect savings in Convention Facilities' miscellaneous capital improvements (\$89,068), personal services (\$20,589), and non-personal expenses (\$768,549). The primary reason for the large non-personal savings of \$768,549 is the delay in implementation of the convention center electrical service program. A portion of the savings (\$161,370) was rebudgeted to 2002-2003 in the Adopted Operating Budget.

The positive ending fund balance variance reflects the receipt of revenues which exceeded expectations and non-personal savings. A \$215,806 adjustment to the Convention Facilities non-personal expenses related to overhead is recommended due to an error made while developing the Adopted Budget.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Home Investment Partnership Program Fund

The Home Investment Partnership Program Act, enacted by Congress in 1990, established a program of federal assistance to state and local governments for affordable housing projects. The City established the Home Investment Partnership Program Fund (HOME) in 1993-94 to utilize the available federal funding for activities associated with housing rehabilitation and new construction. This fund is also utilized for federal Rental Rehabilitation Program activities.

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*Home Investment  
Partnership Program  
Fund*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 6,919	\$ 2,874	\$ (4,045)	(58.5%)
<i>Expenditure</i>	8,610	4,006	4,604	53.5%
<i>Fund Balance (est. *)</i>	1,735 *	637	(1,098)	(63.3%)

The expenditures in this fund are for loans and grants for development of affordable housing. The U.S. Department of Housing and Urban Development (HUD), the main funding agent, allows the Housing Department a maximum of two years to commit to a project and two more years for completion of a project.

The variance in both revenue and expenditures is primarily due to delays in the award of affordable housing loans and grants. Of the \$4.6 million allocated for Home Loans and Grants, only one project was awarded for \$750,000. A portion of the savings (\$650,000) was anticipated and rebudgeted to 2002-2003 in the Adopted Operating Budget. In addition, there were savings of \$482,000 in the HOPWA SHAPPS program and the Housing Opportunities for People with AIDS (HOPWA) program (\$10,000).

In addition, the HOME Fund in the past has contained the Rental Rehabilitation Program (RRP). The RRP was closed-out by HUD, but repayment on loans made through RRP are returned to the Housing Department for deposit into the HOME Fund. In 2001-2002, \$558,510 was expended from the RRP total budget of \$720,000, resulting in reduced actual expenditures of \$161,000.

The \$1,098,000 negative variance is primarily the result of lower than estimated grant revenues.



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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Housing and Homeless Fund

The Housing and Homeless Fund was established in February 1993 to assist nonprofit service providers and organizations by providing one-time grants for housing and homeless related projects.

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***Housing and  
Homeless Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 375	\$ 1,139	\$ 764	203.7%
<i>Expenditure</i>	1,111	1,110	1	0.1%
<i>Fund Balance (est. *)</i>	1,273 *	1,564	291	22.9%

This fund was established with an initial balance of almost \$2.0 million in one-time funds from the defeasance of 1983 through 1985 Single Family Mortgage Revenue Bonds. It has no identified source of ongoing funding. Over the years, additional funding has been allocated from tax credit application review fees and in-lieu fees from housing developers in Redevelopment Project Areas, among others. These funding sources are unpredictable and unstable.

The revenue overage was a result of the previously mentioned, unpredictable funding sources, specifically, unanticipated in-lieu fees from developers. (\$330,000).

The 2001-2002 ending fund is the result of increase level of revenues, as described above.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Integrated Waste Management Fund

The Integrated Waste Management (IWM) Fund was established effective July 1, 1994. The fund collects revenues from the City's Recycle Plus program and through fees on other solid waste services as authorized by AB 939, the State law requiring cities to reduce waste landfill by 50% by the year 2000 and maintain this diversion rate every year thereafter. This fund is expended for programs related to the City's efforts to comply with that law, along with other integrated waste management services.

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#### *Integrated Waste Management Fund*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 64,289	\$ 64,764	\$ 475	0.7%
<i>Expenditure</i>	75,744	73,049	\$ 2,695	3.6%
<i>Fund Balance (est. *)</i>	8,059 *	8,949	\$ 890	11.0%

Revenue ended the year approximately 1% higher (\$475,000) than the budgeted level. The positive variance primarily resulted from higher than anticipated Recycle Plus Collection Charges (\$1,607,000 variance) and interest revenues (\$324,000 variance). Lower than anticipated AB 939 fees, also known as the Commercial Solid Waste Source Reduction and Recycling Fee (\$595,000 variance), Grant Revenues (\$400,000 variance), lien-related charges (\$164,000 variance), and Miscellaneous Solid Waste Revenues (\$100,000 variance) partially offset the positive variance. Revenue rebudgets of \$42,856 for the Bay Area Air Quality Management District (BAAQMD) Grant and \$50,000 for the Resource Area for Teachers (RAFT) Grant are being recommended in this document. The BAAQMD grant revenue is being recommended for rebudget in order to match the balance of the grant's expenditures expected in 2002-2003. The RAFT revenue is being recommended for rebudget to support RAFT's outreach program to businesses in order to provide teachers low or zero cost educational supplies.

Expenditures in this fund ended the year with savings of \$2.7 million (3.6%). The majority of the positive variance was due to personal services vacancy savings (\$343,000) and non-personal savings (\$2.3 million) mainly attributed to lower than budgeted expenditures related to contractual services. An expenditure rebudget of \$50,000 for the RAFT grant is included in this document to allow this program to continue in 2002-2003. In addition, a rebudget of \$60,000 is included as part of this document for use on the Integrated Waste Management/Customer Service database.

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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Integrated Waste Management Fund (Cont'd.)**

A portion of the aforementioned savings (\$52,522) was rebudgeted as part of the 2002-2003 Adopted Budget for costs associated with the Public Area Recycling program. Another portion of the total savings (\$1.6 million) was rebudgeted to 2002-2003 from non-personal expenses for Recycle Plus transition outreach, recycling related grants, and the Integrated Waste Management/Customer Service database. As a result, total net expenditure savings totals \$915,000.

The Integrated Waste Management Fund ended the year with a higher than estimated fund balance (\$890,000 variance) due to higher than expected revenue collections (\$581,000) and expenditure savings (\$309,000).

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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Lake Cunningham Fund**

The Lake Cunningham Fund accounts for concessionaire and parking lot revenues that are dedicated to capital improvements and maintenance of the park.

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*Lake Cunningham  
Fund*

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 705	\$ 684	\$ (21)	(3.0%)
<i>Expenditure</i>	1,811	898	913	50.4%
<i>Fund Balance (est. *)</i>	984 *	1,011	27	2.7%

The negative revenue variance reflects lower than anticipated collections in the concessionaire lease payments.

The positive variance in project expenditures reflects unexpended project funds. The majority of these unexpended funds (\$823,000) were anticipated and rebudgeted to 2002-2003 in the Adopted Capital Improvement Program.

The 2001-2002 fund balance is \$27,000 higher than the budgeted estimate due to lower than estimated expenditures and lower than anticipated revenue collections.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Library Benefit Assessment District Fund

The Library Benefit Assessment District (BAD) program was approved by Council following an advisory measure on the November 1994 ballot. The BAD program provides needed funding to acquire new books and materials, to improve educational programs, and to repair and upgrade libraries. The benefit assessment is to be collected for a period not to exceed 10 years beginning with the 1995-1996 fiscal year.

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***Library Benefit  
Assessment District  
Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 6,210	\$ 6,191	\$ (19)	(.3%)
<i>Expenditure</i>	7,891	6,880	1,011	12.8%
<i>Fund Balance (est. *)</i>	1,665 *	1,813	148	8.9%

The 2001-2002 fiscal year is the seventh implementation year of the Library Benefit Assessment. The revenues show a negative variance of \$19,000 (.3%) due to slightly lower interest collections.

Of the \$7.9 million in budgeted expenditures, \$4.4 million (56%) was allocated for capital projects and \$3.5 million (44%) for operating expenses. Unexpended project funds resulted in a \$1.0 million positive variance in budgeted program expenditures. With \$119,000 generated from operating costs and \$892,000 generated from Capital projects, the largest variances were due to the Automation Projects (\$426,000), eBranch (\$250,000), and Acquisition of Materials (\$190,000). These projects were all delayed in 2001-2002 and funds were rebudgeted to 2002-2003.

Year-end operating expenses were \$119,000 less than budgeted due to vacancy savings and slight non-personal savings. A personal services rebudget of \$32,000 to fund extra system-wide pool librarian, clerical, and page hours and a non-personal rebudget of \$87,000 to purchase supplies, are both recommended in this document to support outreach to schools, customer training, program marketing, the Library Card Campaign, and other Library objectives.

The higher ending fund balance is attributed to lower than estimated expenditures (\$167,000) partially offset by lower than estimated revenues (\$19,000).

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Low and Moderate Income Housing Fund

The Low and Moderate Income Housing Fund accounts for the 20% tax increment monies received from the Redevelopment Agency for the purposes of increasing and improving the supply of housing for low- and moderate-income housing in the City of San Jose.

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*Low and Moderate  
Income Housing  
Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 199,921	\$ 98,963	\$ (100,958)	(50.5%)
<i>Expenditure</i>	215,606	110,616	104,990	48.7%
<i>Fund Balance (est. *)</i>	3,481 *	5,656	2,175	62.5%

Revenue for this Fund fell \$100.96 million short of the budgeted amount. The lower than anticipated revenue was a net result of several factors. The Fund received only \$18.6 million of the budgeted \$27.8 million in Redevelopment Agency Supplemental Funding. The Housing Department also only withdrew \$22.5 million from the budgeted \$71 million Line of Credit funds. In addition, the department was budgeted to receive \$62 million in bonds proceeds in 2001-2002 but only \$5.25 million was recognized in this fiscal year. The shortfall in these categories was partially offset by higher than budgeted revenue in the Tax Increment, and miscellaneous revenue categories.

Expenditures of \$110.6 million primarily occurred in the following appropriations: Loans, Grants, and Site Acquisitions (\$70.8 million); Extremely Low-Income Housing Reserve (\$15.2 million); Debt Service Payment (\$10.6 million); Housing Department Personal, Non-personal, and Equipment expenses (\$6.72 million); Overhead (\$0.81 million); and direct support to City-wide departments (\$1.85 million). This also includes expenditures of \$4.3 million for the Teacher Housing Program, which is 86.9% of the budgeted \$5 million. The variance in expenditures, for the most part, coincide with the variance in revenue due to the fact that the department will only recognize Bond revenue and utilize the Line of Credit Bond when the money is needed for expenses. An \$182,852 adjustment for overhead allocation in 2002-2003 is recommended to correct an error which occurred during the Adopted Budget preparation.

The \$5.66 million ending fund balance was higher than estimated as a result of the above factors.

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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Major Collectors and Arterials Fund**

The Major Collectors and Arterials Fund is for the collection of monies owed by developers for previously completed street improvements. Funds are also utilized for median island landscaping projects.

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*Major Collectors  
and Arterials Fund*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 388	\$ 799	\$ 411	105.9%
<i>Expenditure</i>	762	760	2	0.3%
<i>Fund Balance (est. *)</i>	2,320 *	2,727	407	17.5%

Total revenues (\$799,000) were \$411,000 higher than budgeted. The positive variance is due to higher than anticipated developer contributions (\$417,000), which were partially offset by lower than anticipated interest earnings and other revenue (\$6,000).

The 2001-2002 ending fund balance variance of \$407,000 reflects a combination of lower than estimated expenditures (\$13,000) and higher than estimated revenues (\$420,000).

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Municipal Golf Course Fund

The Municipal Golf Course Fund accounts for the construction, management, and operation of City-owned golf courses and are financed through user charges.

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*Municipal Golf  
Course Fund*

		<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$	215	\$ 1,020	\$ 805	374.4%
<i>Expenditure</i>		6,029	5,790	239	4.0%
<i>Fund Balance (est. *)</i>		348 *	1,561	1,213	348.6%

The revenue variance is due to higher than expected income from Los Lagos Golf Course and interest income from remaining Bond money. The expenditure variance is primarily due to lower than budgeted Capital expenditures. A small portion of the \$1.2 million savings (\$22,000) was rebudgeted as part of the 2002-2003 Adopted Operating Budget.



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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Municipal Health Services Program Fund

The Municipal Health Services Program Fund accounts for community-based health care services to Medicare recipients at four San Jose clinics. Funding for this demonstration project is provided by the federal Centers for Medicare and Medicaid Services (CMMS), formerly the Health Care Financing Administration.

***Municipal Health  
Services Program  
Fund***

		<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$	5,775	\$ 5,464	\$ (311)	(5.4%)
<i>Expenditure</i>		6,123	5,038	1,085	17.7%
<i>Fund Balance (est. *)</i>		518 *	1,307	789	152%

The revenue variance is primarily due to lower reimbursement for City administrative costs offset by higher than anticipated revenue from interest and reimbursement for certification reports. The expenditure variance is primarily due to lower City administrative costs, including overhead, as well as lower than anticipated Medicare claims and costs associated with patient services information and the phase-down plan. The lower number of claims resulted in approximately \$667,000 of savings in claims payment expenditures. Budgeted amounts are estimates given to the Municipal Health Services Program by the clinics that provide services to the elderly. Thus, it is extremely difficult for the clinics to forecast patient utilization of services for a number of reasons (e.g., high attrition rates, migration out of San Jose and phase-down of the project, which is scheduled to terminate on December 31, 2004).

The fund balance ended the year higher than the estimated level primarily due to the lower than estimated expenditures.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Residential Construction Tax Fund

The Residential Construction Tax Fund accounts for taxes imposed upon the construction of single family dwelling units or mobile home lots in the City. The tax is collected and placed in the Residential Construction Tax Contribution Fund and is used to reimburse developers who constructed that portion of an arterial street which is wider than that which is normally required in connection with residential development.

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***Residential  
Construction Tax  
Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 150	\$ 197	\$ 47	31.3%
<i>Expenditure</i>	1,064	979	85	8.0%
<i>Fund Balance (est. *)</i>	759 *	778	19	2.5%

The positive revenue variance of \$47,000 is the result of higher than anticipated Residential Construction Tax receipts.

The expenditure savings is primarily due to savings in the Reimbursements to Developers for Center Strip Paving project (\$83,000).

The 2001-2002 fund balance variance of \$19,000 is the result of higher than anticipated revenues (\$47,000) offset by higher than estimated reimbursements to developers for street improvements (\$40,000). Additional savings was realized in administrative costs (\$1,000) and other reimbursements to developers (\$11,000).

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Special Assessment Maintenance District Funds

The Special Assessment Maintenance District Funds account for the maintenance districts that were created to provide special services for areas or items not considered to be normal City maintenance. In 2001-2002 the City operated sixteen maintenance districts and one community facility district.

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***Maintenance  
Assessment District  
Funds***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 2,970	\$ 3,108	\$ 138	4.6%
<i>Expenditure</i>	4,728	3,960	768	16.2%
<i>Fund Balance (est. *)</i>	5,435 *	5,699	264	4.9%

The variance of \$138,000 in revenue is the result of higher than anticipated revenues in a majority of the districts. In particular, higher revenues were collected in District 1 (Los Paseos), District 9 (Santa Teresa Blvd.) and District 15 (Silver Creek) because of additional properties that came on line which were not included in the revenue estimate for the year. This additional revenue was partially offset by District 4 (Gateway Place), which collected lower revenue than anticipated since it was not re-authorized by property owners at the end of 2000-2001 for the imposition of assessments.

Savings of approximately \$0.8 million in the expenditure category reflects decreased maintenance costs in a number of districts. District 15 (Silver Creek) experienced savings of approximately \$500,000 in contractual maintenance costs due to delays in the acceptance of new landscape areas. Additional savings came from several other districts due to decreases in their contractual maintenance costs: maintenance work was delayed in one district due to an impending revote of the district, and two districts were reoriented into smaller districts for which the department is in the process of determining appropriate funding levels. Expenditure savings were also realized in District 4 (Gateway Place) since the district was not re-authorized by the property owners in 2000-2001 for the imposition of assessments. The property owners subsequently voted to continue District 4 in a revote which took place in May 2002.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Stores Fund

This fund accounts for the purchase and issuance of materials and supplies consumed by departments for general operations.

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#### *Stores Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 4,500	\$ 4,555	\$ 55	1.2%
<i>Expenditure</i>	4,766	4,567	199	4.2%
<i>Fund Balance (est. *)</i>	1,680 *	1,812	132	7.9%

The positive revenue variance (1.2%) reflects higher than anticipated fire hydrant sales offset by lower than anticipated departmental charges. The actual level of revenue collection (\$4.6 million) was a slight decrease of \$220,000 from the 2000-2001 levels due to a decreased level of operations in the departments.

The Stores Fund positive expenditure variance of \$199,000 primarily resulted from personal services savings due to unfilled vacancies, lower than anticipated expenditures for non-personal/equipment such as professional and consultant services, and rental equipment and slightly lower than expected inventory purchases.

The positive ending fund balance (\$132,000) variance primarily reflects lower than estimated expenditures and an increase to fund balance. The adjustment to the fund balance is required by the new Government Accounting Standards Board Statement No. 34 to account for the reclassification of estimated liability.

It should be noted that the actual budgetary fund balance is \$606,000 lower than the fund balance reported in the CAFR. The fund balance figure used for budgetary purposes does not include the change in beginning and ending Materials Inventory balances. This non-budgetary item is, however, incorporated into the CAFR fund balance figure.

Stores Fund

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Storm Drainage Fee Fund

The Storm Drainage Fees are charged to access the City's Storm Drainage System. The use of these funds is restricted to the construction and repair of the storm drainage system.

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#### *Storm Drainage Fee Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 484	\$ 452	\$ (32)	(6.6%)
<i>Expenditure</i>	1,693	1,285	408	24.1%
<i>Fund Balance (est. *)</i>	70 *	577	507	724.3%

Revenues ended the year close to budgeted levels. The negative revenue variance of \$32,000 reflects lower than budgeted Joint Participation revenues partially offset by higher than budgeted Storm Drainage Fees (\$73,000 variance) and interest earnings (\$29,000).

Unexpended project funds resulted in a \$408,000 positive variance in budgeted program expenditures, of which \$394,000 is recommended for rebudget in this document for 2002-2003. The Nightingale/Redbird project generated savings of \$314,000. Additional modifications to the storm outfall was required by the Santa Clara Valley Water District, causing a delay in construction. In order to fund continued construction and post-construction activities, these funds are recommended for rebudget for 2002-2003. Savings in the Redmond/Firefly project totaled \$69,000, due to delays in construction completion, resulting from additional field investigation and redesign work required to avoid an unforeseen utility conflict. These funds are recommended for rebudget as part of this document. Unexpended funds in the Guadalupe River Park project (\$11,000) resulted from construction schedule coordination with the Santa Clara Valley Water District. As a result, this savings is recommended for rebudget in this document.

With the combination of higher than estimated Storm Drainage Fee collections and expenditure savings mentioned above, the fund balance in the Storm Drainage Fee Fund ended the year \$507,000 above estimated levels.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Storm Sewer Capital Fund

The Storm Sewer Capital Fund receives revenue from the Storm Sewer Operating Fund to account for capital expenditures.

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***Storm Sewer  
Capital Fund***

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ 1,830	\$ 1,875	\$ 45	2.5%
<i>Expenditure</i>	5,155	4,495	660	12.8%
<i>Fund Balance (est.)*</i>	1,661 *	1,915	254	15.3%

The positive revenue variance (\$45,256) is solely due to higher than budgeted interest earnings from fund balance.

Unexpended project funds resulted in a \$660,000 positive variance in budgeted program expenditures. Included in this variance is \$256,000 rebudgeted in the 2002-2003 Adopted Capital Budget for the Guadalupe River Outfalls project (\$250,000) and Public Works Equipment Maintenance and Replacement project (\$6,000). Various other projects ended the year with expenditure savings and are recommended for rebudget in this document for 2002-2003. These total \$254,000 and include the following projects: Miscellaneous Projects (\$133,000) for various projects continuing into 2002-2003, Redmond/Firefly (\$74,000) for continued post-construction activities, Old Oakland Road (\$38,000) for staff support during construction, and Flow Monitoring System (\$9,000). In addition, total 2002-2003 budget reductions of \$25,000 are recommended for Preliminary Engineering (\$5,000) and Program Management (\$20,000), as these projects did not achieve sufficient savings anticipated in the 2002-2003 Adopted Capital Budget.

The 2001-2002 ending fund balance ended the year \$254,000 higher than the estimated level. The variance is attributed to higher than expected interest earnings and expenditure savings as mentioned above.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Storm Sewer Operating Fund

The Storm Sewer Operating Fund was established to provide for the acquisition, construction, reconstruction, maintenance, and operation of the storm drainage system. With the establishment of the Storm Sewer Capital Fund in 1994-1995 (which is funded primarily through transfers from this fund), expenditures are focused on non-point source pollution reduction, along with maintenance and operation of the storm drainage system.

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***Storm Sewer  
Operating  
Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 12,817	\$ 12,945	\$ 128	1.0%
<i>Expenditure</i>	15,331	13,912	1,419	9.3%
<i>Fund Balance (est.)*</i>	1,758 *	2,502	744	42.3%

The positive revenue variance (\$128,000) is due to higher than budgeted storm drainage service use charges and interest collections.

Expenditure savings of \$1.4 million was primarily produced in the Environmental Services Department's non-personal/equipment appropriation (\$669,000), Department of Transportation's non-personal/equipment appropriation (\$411,000), and vacancy savings in the Environmental Services Department (\$210,000). A rebudget of \$250,000 to the Department of Transportation is included in this document for 2002-2003 due to outstanding street sweeping invoices that were not reviewed in time to be paid or accrued in 2001-2002. Rebudgets of \$508,613 in non-personal expenditure savings were included in the 2002-2003 Adopted Operating Budget for services related to data collection in the Guadalupe River, Storm Sewer First Flush Pilot study, pollution prevention outreach, Watershed Management Initiative, and database design and management in the Environmental Services Department.

The ending fund balance ended the year \$744,000 higher than the estimated levels. This variance was produced by higher than estimated storm drainage assessments on property owners and lower than anticipated expenditures due to savings as described above.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Subdivision Park Trust Fund

The Park Trust Fund accounts for a fee received from developers in-lieu of land dedicated for park and recreation development in residential areas. Monies in this fund, including interest earnings, must be expended solely for the acquisition or improvements of parkland within the residential areas where the in-lieu fees were paid.

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#### *Subdivision Park Trust Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ -	\$ 5,389	\$ 5,389	N/A
<i>Expenditure</i>	17,294	7,998	9,296	53.8%
<i>Fund Balance (est. *)</i>	22,866 *	22,902	36	0.2%

Under current Council policy, in-lieu fee revenues in the Park Trust Fund are recognized and budgeted in the year following the receipt of the funds, in recognition of the fact that these revenues cannot be reasonably estimated from year-to-year. The large variance from the budgeted estimate is repeated annually under this policy, as the budgeted estimate for 2001-2002 did not include any revenue. The fee revenue received in 2001-2002 will be programmed into the 2003-2004 Capital Budget.

The expenditure variance of \$9.3 million is primarily due to project delays. Projects with significant variances include: Mabury Park Development (\$1.4 million), Bernal Park Expansion (\$1.7 million), Evergreen Center Expansion (\$779,000), Solari Park Renovation (\$554,000), Mayfair Area Sports Fields (\$547,000), Hillstone Park Development (\$327,000) and Master Consultants (\$340,000). These savings have been or will be rebudgeted to complete these projects.

The 2001-2002 ending fund balance variance of \$36,000 is primarily the result of lower than estimated expenditures (\$102,000) and lower than anticipated than estimated revenue (\$66,000).



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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Transient Occupancy Tax Fund

The Transient Occupancy Tax (TOT) is assessed as a percentage of the rental price for transient lodging charged when the period of occupancy is less than 30 days. The tax rate is currently 10%, six percent of which is placed in this fund and four percent of which is deposited in the General Fund. The uses of revenues from the TOT Fund are specified by City Ordinance and include grants and rental subsidies for arts and cultural programs as well as subsidies for the San Jose Convention and Visitors Bureau and the Conventions, Arts and Entertainment Department.

***Transient Occupancy  
Tax Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 11,325	\$ 10,427	\$ (897)	(7.9%)
<i>Expenditure</i>	16,173	14,754	1,418	8.8%
<i>Fund Balance (est. *)</i>	1,605 *	1,489	(116)	(7.2%)

Due to lower than expected receipts in the last quarter of the fiscal year, actual 2001-2002 revenues in the TOT Fund fell below the revised budgeted amount by \$1,050,960. This was partially offset by higher than anticipated interest income of \$153,256.

When the 2001-2002 Adopted Budget estimate (\$15 million) was developed, an 8% increase over the 2000-2001 year-end estimates was assumed. As 2000-2001 year-end receipts ended the year higher than estimated, the 2001-2002 budget, therefore actually reflected an 8.4% drop from the 2000-2001 year-end level. It became clear shortly after September 11, however, that revenues in 2001-2002 were going to end the year well below anticipated levels. In recognition of a slow economy as well as the events of September 11, and their impact on the hospitality industry, revenues were adjusted downward at mid-year by \$3.670 million to reflect anticipated year-end performance. Despite the adjustment, actual collections ended the year even below the adjusted level. Collections ended the year at \$10,199,040, or 37.7% below the 2000-2001 level.

The expenditure variance of \$1.4 million reflects savings in the Cultural Grant program (\$955,469), the Convention Center Operation Subsidy (\$501,622), the Revenue Enhancement Consulting project (\$36,000) and the Technical Assistance Grant program (\$38,007). As part of the 2002-2003 Adopted Operating Budget, a total of \$488,007 was rebudgeted for Cultural Grants (\$450,000) and Technical Assistance Grants (\$38,007).

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### SPECIAL REVENUE FUNDS (CONT'D.)

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#### Transient Occupancy Tax Fund (Cont'd.)

TOT Fund tax revenue growth or contraction is by ordinance shared by three groups, the Convention Visitors Bureau (25%), Cultural Grants (25%) and the Convention Center Operation Subsidy (50%). As discussed above, since tax receipts for 2001-2002 ended the year well below budgeted levels (\$1.05 million), this report contains actions required to recoup the overpayment made last year. Allocations to the three groups will therefore be reduced accordingly.

Since the Convention Center Operation Subsidy had savings of \$501,622, a further reduction of only \$23,858 is necessary to satisfy the reduction requirement. A reduction of \$262,740 is recommended for the Convention and Visitor Bureau (CVB) for its share of the overpayment. Finally, the Cultural Grant savings requirement can be reached by reducing the amount of savings from 2001-2002 that will be rebudgeted from the savings of \$955,469 that was achieved last year. A rebudget of \$450,000 was already assumed in the 2002-2003 Budget. The \$262,740 reduction can therefore be achieved for the Grant Program by reducing the remaining rebudget to \$57,074. In addition, a rebudget of \$36,000 for the Revenue Enhancement Consulting project has been recommended in this report.

Due to continued uncertainty in the economy, the revenue projection for 2002-2003 will almost certainly require downward revision at Mid-Year. To achieve the current revenue estimate of \$12,600,000, the revenue collection would have to attain a 26.8% growth level over last year's actual cash collection. Based on current performance, it is very unlikely that revenue collections will achieve even the original growth estimate of 12%. If the actual outcome were the 12% original growth estimate, a further reduction of approximately \$364,972 to CVB and the Art Groups and \$729,944 to the Convention Center Operation Subsidy will be required at Mid-year. If the actual outcome were a flat growth from last years level a result that appears the most likely outcome, a reduction of approximately \$650,240 to CVB and the Art Groups and \$1,300,480 to the Convention Center Operation Subsidy would be required. The three groups have been informed of the situation and the potential for further reductions to their allocations.

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**SPECIAL REVENUE FUNDS (CONT'D.)**

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**Underground Utility Fund**

The Underground Utility Program implements City General Plan Goals and Policies, which state that the City should encourage the undergrounding of existing overhead utilities. The fund is used to establish Rule 20B Underground Utility Districts.

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***Underground  
Utility Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 700	\$ 933	\$ 233	33.3%
<i>Expenditure</i>	2,772	1,696	1,076	38.8%
<i>Fund Balance (est. *)</i>	2,985 *	3,394	409	13.7%

The positive revenue variance of \$233,000 is the result of higher than anticipated developer in-lieu fees, which were budgeted conservatively considering the downturn in the local economy.

The positive expenditure variance of \$1,076,000 primarily reflects savings in the Underground Utility Program project. This project is budgeted each year to underground City-owned streetlight connections along the path Pacific Gas and Electric's (PG&E's) undergrounding program. The project was delayed due to workload issues both with PG&E and the City. A rebudget of unexpended funds (\$209,000) is recommended in this document to provide sufficient funding for this project in the current fiscal year.

The positive variance of \$409,000 in the ending fund balance was due to a combination of the higher than anticipated revenues (\$233,000) and lower than estimated expenditures (\$209,000) in the Underground Utility Program. The savings was offset by increased administration (\$4,000) and equipment (\$30,000) costs associated with the program.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Vehicle Maintenance and Operations Fund

The Vehicle Maintenance and Operations Fund accounts for the operation, maintenance and replacement of all City vehicles and equipment.

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#### *Vehicle Maintenance and Operations Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 23,204	\$ 18,756	\$ (4,448)	(19.2%)
<i>Expenditure</i>	30,112	22,688	7,424	24.7%
<i>Fund Balance (est. *)</i>	8,059 *	7,443	(616)	(7.6%)

The negative revenue variance of \$4,448,000 primarily reflects lower than anticipated revenues from replacement charges and lower than budgeted vehicle maintenance and operations departmental charges categories. During 2001-2002, all vehicle replacements were suspended pending completion of a review of the current replacement policy and schedule by the City Auditor and General Services department. Thus the revenues and associated expenditures for vehicle replacements are much lower than budgeted.

The positive expenditure variance primarily reflects savings of \$7,424,000 in the vehicle replacement appropriation, savings in the non-personal/equipment appropriation, savings in parts and fuel purchases, and personal services savings due to vacancies. A portion of the variance is due to the vehicle replacement acceleration appropriation (\$1,400,000). The funding is appropriated to match the timing of the vehicle purchase cycle and is not intended to be expended.

The negative ending fund balance variance (\$616,000) primarily reflects savings in maintenance and operations fees, which were lower than anticipated revenues, which were lower than estimated, offset by a technical adjustment to fund balance. The adjustment to the fund balance is required by the new Government Accounting Standards Board Statement No. 34 to account for the reclassification of estimated liability.

It should be noted that the actual fund balance is \$1,017,974 lower than the budgetary fund balance reported in the CAFR. The fund balance used for budgetary purposes does not include the change in beginning and ending Materials Inventory balances and Unrealized Gains and Losses for estimated liabilities. These non-budgetary items are, however, incorporated into the CAFR fund balance figure.

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## SPECIAL REVENUE FUNDS (CONT'D.)

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### Workforce Investment Act Fund

The Workforce Investment Act Tax is a federal program that provides primary employment and training services to dislocated and low-income residents. This fund is a memo fund to the General Fund for governmental accounting purposes.

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#### *Workforce Investment Act Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 22,047	\$ 14,846	\$ (7,201)	(32.7%)
<i>Expenditure</i>	21,675	19,781	1,894	8.7%
<i>Fund Balance (est.)*</i>	- *	(4,996)	(4,996)	N/A

On July 1, 2000 the Workforce Investment Act replaced the Job Training Partnership Training Act (JTPA). The City of San Jose assumed administration and fiscal liability of the program. There are three categories of funding under WIA which correspond to the three populations being served: Adult, Dislocated Worker, and Youth. San Jose's Workforce Investment Area will receive grants from State and Federal Government for these three categories. A fourth category, Welfare-to-Work, is a special program funded by the U.S. Department of Labor and is intended to assist the hardest to serve of those individuals in the welfare system.

The variance in revenues and expenditures are mainly due to below budgeted level activities in Caregiver training, Rapid Response, Re-Tech and Welfare to-Work Programs. These programs are all funded for multiple years. This decreased level of activity was assumed in the 2002-2003 Adopted Budget except for the Re-Tech Program, and funds were already included.

The fund ended the year with a negative unrestricted ending fund balance of \$4,995,841. This is due to the late posting of revenue and carryover encumbrances for committed expenses at the end of 2001-2002. Because revenue is received by the fund on a reimbursable basis, there was no revenue recognized to the fund to cover the encumbered amount. Under the current WIA contract with the State, expenses will only be reimbursed when funds are actually spent, not just committed. This requirement impacted the ending fund balance since the City must encumber committed expenses and contracts with service providers. However, due to the advance cash draw-down practice in the WIA program, the fund actually has a positive cash position. When the encumbered amounts are actually expended, the revenue will become available to cover the costs.

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## CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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### Branch Library Bond Projects Fund

In November 2000, San Jose voters approved a \$211 million Library bond that will improve the branch library system over a ten-year period. These funds designated in Measure P will support the reconstruction or replacement of 14 existing branches, and the construction of six additional branches in unserved neighborhoods. -

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***Branch Library  
Bond Projects  
Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ -	\$ 1,059	\$ 1,059	N/A
<i>Expenditure</i>	30,299	15,726	14,573	48.1%
<i>Fund Balance (est. *)</i>	15,226	15,975	749	4.9%

The positive variance in revenue (\$1.1 million) solely represents higher than anticipated interest earnings on the bond proceeds that were not included in the budgeted estimate but will be available for project expenditures in the future.

Unexpended project funds produced the \$14.6 million positive variance in budgeted program expenditures. Land Acquisition had savings of \$11.7 million due to delays in locating and acquiring properties. The Blossom Hill Branch Library project (\$1.2 million), Alum Rock Branch (\$450,000), Program Management (\$404,000), Berryessa Branch (\$302,000), Tully Road Branch (\$150,000) and the Southeast Branch (\$40,000) all generated savings due to project delays. The majority of these savings were anticipated and rebudgeted to 2002-2003, with the remaining balance recommended for rebudget as part of this document.

The 2000-2001 ending fund balance is \$749,000 higher than the estimate used in the development of the 2002-2003 Adopted Budget. This variance is largely due to higher than anticipated revenues (\$560,000), offset partially by lower than estimated expenditures (\$189,000).

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**CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)**

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**Central Service Yard Acquisition & Development Fund**

The Central Service Yard Acquisition and Development Fund accounts for bond proceeds for the acquisition and development of the new Central Service Yard.

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***Central Service Yard  
Acquisition and  
Development Fund***

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Percent Variance</b>
<i>Revenue</i>	\$ 10,000	\$ 6	\$ (9,994)	(99.9%)
<i>Expenditure</i>	-	(1)	1	N/A
<i>Fund Balance (est. *)</i>	242 *	257	15	6.2%

The variance of just under \$10 million of actual revenue represents bond proceeds that were budgeted to be sold in 2001-2002 but were postponed pending completion of the Service Yards Study. A Service Yards Study is currently being undertaken by an independent consultant to evaluate all of the existing Service Yards' capacity and utilization.

The 2001-2002 ending fund balance is \$15,000 higher than the estimated. This variance is largely due to lower than estimated project expenditures (\$9,000) and higher than anticipated revenues from interest earnings (\$6,000).

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## CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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### Civic Center Construction Fund

The Civic Center Construction Fund accounts for the expenditure of bond proceeds for the new Civic Center project.

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#### *Civic Center Construction Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 203,166	\$ 807	\$ (202,359)	(99.6%)
<i>Expenditure</i>	195,138	14,658	180,480	92.5%
<i>Fund Balance (est.)*</i>	3,200	2,238	(962)	(30.1%)

When the 2001-2002 budget was developed for the Civic Center project, it was assumed that bonds would be issued during the year to continue funding this project and that construction would be underway. However, due to a legal challenge that was not resolved until the latter part of the fiscal year, the bond issuance and the project schedule were delayed. As a result, revenues ended the year with a \$197.7 million negative variance associated with bond proceeds and an additional negative variance of \$4.7 million in the interest income category. Only a minimal amount of interest earnings (\$0.8 million) was received in 2001-2002.

As discussed above, the project schedule was delayed due to a legal challenge. This delay is the main factor for the \$180.5 million positive variance in budgeted expenditures. The largest variances were in the Construction (\$146.3 million) and the Consultants (\$31.1 million) allocations with smaller variances in the Public Art (\$3.0 million) and Design and Construction Management (\$35,000) categories. The majority of these savings was anticipated at the end of the 2001-2002 fiscal year and was reallocated in the 2002-2003 Adopted Budget. Rebudget adjustments are recommended in this report to adjust the 2002-2003 appropriations based on actual year-end expenditures. In 2001-2002, the actual expenditures of \$14.7 million were spread as follows: \$7.0 million was spent from the Consultants allocation primarily to continue the design phase of the project; \$1.5 million was spent from the Design and Construction Management allocation to continue the project oversight; \$5.7 million was spent from the Construction allocation to fund initial construction contracts; and \$478,000 was spent from the Public Art allocation to support the design phase of the public art component.



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**CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)**

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**Civic Center Construction Fund (Cont'd.)**

The 2001-2002 ending fund balance was \$962,000 below the estimate used in the development of the 2002-2003 budget due to lower than estimated revenues (\$5.6 million), partially offset by lower expenditures (\$4.7 million). When the legal challenge was resolved towards the end of the fiscal year, it was anticipated that a small amount of bond proceeds would be received to fund project expenditures in 2001-2002. However, Bond Anticipation Notes were not issued until July 2002. The 2002-2003 revenue estimate will be adjusted upwards to reflect this change in timing. The net expenditure savings will also be rebudgeted to 2002-2003.

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## CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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### Civic Center Parking Fund

In 2001-2002, the Civic Center Parking Fund accounted for bond proceeds and expenditures for the construction of the Civic Center on-site and off-site parking garages.

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#### *Civic Center Parking Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 45,342	\$ 70	\$ (45,272)	(99.8%)
<i>Expenditure</i>	45,267	383	44,884	99.2%
<i>Fund Balance (est. *)</i>	1,232 *	1,190	(42)	(3.4%)

The revenue variance of \$45.3 million is attributed to the delay in issuing bonds for the New Civic Center, resulting from the legal challenge associated with the project. The variance was anticipated, and the bond revenue was programmed in the 2002-2003 Adopted Capital Budget. The small amount of revenue received during 2001-2002 represents interest earnings from the beginning balance in the fund.

While the entire budget for the Civic Center Parking garages was programmed in the 2001-2002 Capital Budget, only minimal expenditures were incurred due to the delay in the project timeline. The \$44.9 million expenditure variance was anticipated, and the funding was programmed in the 2002-2003 Adopted Capital Budget. The 2001-2002 expenditures reflect preliminary design costs for the New Civic Center parking garages. A cleanup action is recommended in this report to decrease the 2002-2003 budget by approximately \$41,000 to account for higher than expected expenditures over the estimate for 2001-2002.

The 2001-2002 ending fund balance is \$42,000 lower than estimated due primarily to expenditures ending the year above the estimated amount as discussed above.

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## CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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### Construction Excise Tax Fund

The Construction Excise Tax, also referred to as the Commercial, Residential, and Mobile Home Park Building Tax, is a tax on construction of residential, commercial, and mobile home developments. This general purpose tax is based on building valuation, with revenues in the fund historically being used primarily for traffic improvements.

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#### *Construction Excise Tax Fund*

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 47,045	\$ 42,673	\$ (4,372)	(9.3%)
<i>Expenditure</i>	70,480	55,188	15,292	21.7%
<i>Fund Balance (est. *)</i>	12,393 *	17,870	5,477	44.2%

Total revenues of \$42.7 million include receipts from the Construction Excise Tax, state and federal grants, developer contributions, interest, and other miscellaneous revenues. The negative revenue variance (\$4.4 million) is due primarily to project delays that impact the timing of reimbursements from other agencies as well as lower than anticipated reimbursements for a number of projects. Although the variance to the budgeted figure is \$4.4 million, the estimates for 2001-2002 that were used in the development of the 2003-2007 Capital Improvement Program varied from actual year-end results by only \$124,000 or 0.3%.

The revenue variance was caused primarily by the following projects. The final reimbursement from the City of Milpitas for a portion of the costs of the Cisco-Tasman project (\$2.3 million) was not received because the total project cost was less than initially anticipated, reducing the contribution from the City of Milpitas. A small portion of the budgeted project revenues for Measure A/B (\$1.8 million) will be received in 2002-2003 due to delays in completing grant reimbursable work by the end of the fiscal year. TDA Grant - Pedestrian and Bicycle Facilities revenues were \$722,000 lower than expected due to delays that pushed work into 2002-2003 as well as findings that certain expenditures were excluded from reimbursement guidelines. In addition, a shortfall in interest and other miscellaneous revenues resulted in a negative variance of \$710,000.

The negative variances described above were partially offset by higher than budgeted Construction Excise Tax collections (\$1.67 million). Construction Excise Taxes ended the year at \$14.87 million, which was higher than the modified budget of \$13.2 million but was very close to the original adopted estimate of \$14.88 million. Through most of the year, revenues

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**CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)**

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**Construction Excise Tax Fund (Cont'd.)**

were tracking below the adopted estimate and, as a result, this revenue estimate was adjusted downwards. In the last month of the year, however, strong collections of \$2.4 million brought the year-end collections up to the original estimate and above the modified estimate.

Unexpended project funds resulted in a \$15.3 million positive variance in budgeted program expenditures, primarily due to project delays. Following are explanations of project variations over \$300,000 that are also listed below. Money appropriated for the North San Jose Deficiency Plan project was not spent in 2001-2002. The project involves payment to other agencies for work on congestion mitigation in the North San Jose area, and although a plan exists that defines spending over the next several years, City payments will not be made until after the work has been initiated or completed. Traffic Calming expenditures were delayed by the time it takes to perform feasibility studies and gain affirmative neighborhood responses. Although a significant amount of work (\$21.7 million) was completed on the Street Maintenance – Measure A/B project in 2001-2002, \$2.6 million was not completed before the end of the fiscal year and will be reprogrammed into 2002-2003. Spending on a similarly-named project, the Street Maintenance project, was delayed in order to be combined with expenditures in 2002-2003 to ensure larger, more competitive bids and the most efficient use of City funds. Curb Accessibility program expenditures were lower than expected as a result of the diversion of staff time to handle the high volume of work being generated in the sidewalk program. The Bicycle and Pedestrian Facilities project was delayed when staff were redeployed to higher priority projects. The Route 101: Soundwall at Mabury project was delayed waiting the outcome of a recommended alternative project at the same location, the Route 101: Mabury Interchange project. The Cisco: Traffic Mitigation project was delayed by right-of-way acquisition processes. Deliberately conservative management of expenditures was instituted for the Street Maintenance – Governors' Program (Traffic Congestion Relief Program) project by delaying large material purchases. This prudent management was implemented to ensure that the multi-year project would stay within amounts appropriated for 2001-2002, and led to a small savings (\$354,000) that will be reprogrammed in 2002-2003. The Transit Mall Artwork project was delayed by continuing site negotiations with the Redevelopment Agency.

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**CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)**

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**Construction Excise Tax Fund (Cont'd.)**

The following list summarizes projects with the most significant expenditure variances (\$000's):

North San Jose Deficiency Plan	\$	3,099
Traffic Calming		3,037
Street Maintenance – Measure A/B		2,631
Street Maintenance		2,055
Curb Accessibility Program		637
Bicycle and Pedestrian Facilities		566
Route 101: Soundwall at Mabury		500
Cisco: Traffic Mitigation		383
Street Maintenance - TCRP		354
Transit Mall Artwork		300
<b>Total</b>	<b>\$</b>	<b>13,563</b>

The remaining variance (\$1.73 million) reflects unexpended funds in a number of projects with balances of less than \$300,000.

The 2001-2002 ending fund balance is \$5.5 million higher than the estimated fund balance of \$12.4 million. This variance reflects a combination of lower than estimated expenditures (\$5.1 million) and higher than estimated revenues (\$378,000). Most of this additional fund balance (\$4.97 million) has been or will be recommended for rebudget to provide sufficient funding for projects in the current fiscal year.

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## CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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### Parks and Recreation Bond Projects Fund

On November 7, 2000, voters approved a bond measure totaling \$228 million to finance the construction of improvements to regional and neighborhood parks and recreation facilities over a ten-year period. This fund was established to account for the expenditure of those bond proceeds.

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percent Variance</u>
<i>Revenue</i>	\$ -	\$ 1,498	\$ 1,498	N/A
<i>Expenditure</i>	39,281	18,360	20,921	53.3%
<i>Fund Balance (est.)*</i>	15,863 *	22,998	7,135	45.0%

Funding for this program was provided almost entirely from bond proceeds that were received in 2000-2001. In 2001-2002 no additional revenue was programmed for this fund. The positive revenue variance of \$1.5 million solely represents higher than anticipated interest earnings on the bond proceeds that were not included in the budgeted estimate but will be available for project expenditures in the future.

The positive expenditure variance of \$20.9 million reflects unexpended project funds. Part of these unexpended funds (\$14.0 million) were anticipated and rebudgeted to 2002-2003 in the Adopted Capital Budget. The remaining savings will be recommended for rebudget to 2002-2003 to complete these projects. Shady Oaks Sports Park had savings of \$8.1 due to a longer than anticipated community process that delayed this project. These savings were already assumed and reprogrammed into the 2002-2003 Adopted Capital Budget. Other projects with significant savings include the Morrill Community Center (\$2.4 million), Los Gatos Creek Trail (\$1.0 million), Singleton Sports Park (\$605,000), Saratoga Creek Trail-280 to Murdock (\$336,000), Camden Community Center-Multi Service (\$397,000), Emma Prusch Memorial Park (\$311,000), Gardner Community Center-Multi-Service (\$403,000) and Program Management-Bond Projects (\$306,000).

The 2001-2002 fund balance is \$7.1 million higher than the estimate used in the development of the 2002-2003 Adopted Capital Budget due to higher than anticipated interest earnings (\$801,000) and lower than expected expenditures (\$6.3 million). As mentioned above, these savings are recommended for rebudget as part of this document.

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**III. APPROPRIATION / CLEAN-  
UP ADJUSTMENT ACTIONS**

# 2001-2002 ANNUAL REPORT

## RECOMMENDED BUDGET ADJUSTMENTS AND CLEAN-UP ACTIONS

### Appropriation Adjustment Actions

This section of the Annual Report summarizes proposed budget augmentations/reductions in all funds and is broken down by General Fund and by Special/Capital Funds. This section consists of the following types of changes:

*Adjustments for New Grants and Other Reimbursements* – These actions recognize new grant revenue or reimbursements from other agencies and appropriate the funds for these purposes.

*Adjustments to Correct Errors or Reflect Updated Cost Information* - These actions reflect updated project costs, particularly in the Capital Funds, as well as correct errors in the 2002-2003 Adopted Budget. Also included are transfers between funds to shift project costs to the appropriate funding sources.

### Clean-up Adjustment Actions

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

*Fund Balance Reconciliations* – These actions revise the Beginning Fund Balance estimates in the 2002-2003 budget for all funds where the actual 2001-2002 Ending Fund Balance/2002-2003 Beginning Fund Balance differed from the budgeted amount.

*Rebudget Adjustments* – These actions revise various appropriations to rebudget funds to complete prior year projects. Downward adjustments to previous rebudget actions are also included if actual year-end expenditures were higher than anticipated.

*Revenue Adjustments* – These actions revise various General Fund revenue estimates based on actual 2001-2002 collection levels.

*Net-Zero Transfers* – These actions include net-zero transfers between appropriations.

*Overhead Adjustments* – There are several overhead reimbursement adjustments in the Airport funds. During 2001-2002, the Airport funds were reimbursed for the overpayment of overhead from prior years as required by FAA regulations. This reimbursement was made to the Airport Revenue Fund rather than the individual Airport funds. This document includes technical adjustments to redistribute this overhead to the appropriate Airport funds. In addition, there are overhead adjustments in several other funds to correct errors in the Adopted Budget.



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**Clean-up Adjustment Actions (Cont'd.)**

*Environmental Services Cost Allocation Plan (CAP) Adjustments* – These actions spread lease costs and Water Efficiency Program costs to the appropriate funds based on the updated Cost Allocation Plan.

*General Fund Fee Program Reconciliation* – These actions adjust the fee reserves in the Planning, Building, and Fire Fee Programs to reconcile final 2001-2002 program costs and revenues.

**General Fund  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>EMPLOYEE SERVICES</b>								
<b>Adjustments related to Deferred Compensation</b>		\$17,000			\$17,000	\$17,000		\$0
Provides additional funding for the annual cost of fiduciary liability insurance (\$5,500), annual financial audit (\$4,500) and to hire a consultant to conduct fiduciary liability training (\$7,000). All expenditures are reimbursed from the Deferred Compensation funds.								
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<b>EMPLOYEE SERVICES</b>		\$17,000			\$17,000	\$17,000		\$0
<b>TRANSPORTATION</b>								
<b>Streetlight &amp; Traffic Signal Electric Expenditures</b>		\$300,000			\$300,000			\$300,000
Provides additional funding for electricity costs associated with streetlights and traffic signals. An upward adjustment is necessary in recognition of projected electricity costs that exceed budgeted levels.								
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<b>TRANSPORTATION</b>		\$300,000			\$300,000	\$0		\$300,000
<b>FIRE</b>								
<b>FEMA Firefighters Grant</b>		\$491,822			\$491,822	\$491,822		\$0
Provides funding for purchase of selected fire fighting equipment, the cost of which will be reimbursed by FEMA.								
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<b>FIRE</b>		\$491,822			\$491,822	\$491,822		\$0
<b>PBCE</b>								
<b>Local Enforcement Agency (LEA) Grant</b>		\$26,218			\$26,218	\$26,218		\$0
Provides grant funding from the State for the LEA program to be used for supplies and training.								
<b>Reservation of Historic Preservation Settlement Funds</b>		\$75,000			\$75,000			\$75,000
Provides funding to the Historic Resources Program. Revenue was received in a settlement from a developer for illegal demolition of a historic property site during 2001-2002.								

**General Fund  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PBCE</b>								
<b>Towing Contract Consultant Studies</b>		\$35,000			\$35,000			\$35,000
Provides funding for consultant services to conduct a review of the current configuration of the City's tow services contract before developing and reviewing a request for proposal for a new Tow Services contract. The current agreement expires in early 2003.								
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<b>PBCE</b>		\$136,218			\$136,218	\$26,218		\$110,000
<b>PRNS</b>								
<b>Improvements to Paseo de San Antonio</b>	\$78,490				\$78,490	\$78,490		\$0
Provides funds to the Parks, Recreation and Neighborhood Services Department for expenditures related to the RDA-funded project Enhancement of the Public Spaces along the Paseo de San Antonio.								
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<b>PRNS</b>	\$78,490				\$78,490	\$78,490		\$0
<b>TRANSFERS</b>								
<b>Transfer to Construction Excise Tax Fund for Street Recon.</b>			\$171,000		\$171,000			\$171,000
Transfers General Fund savings from the Minor Street Reconstruction (appn 5959) project to the Construction Excise Tax Fund for Street Maintenance.								
<b>Transfer to District 3 Construction &amp; Conveyance Tax Fund</b>			\$24,000		\$24,000			\$24,000
Transfers General Fund savings from the Demolition 6th and Williams Park project to the Council District 3 Construction & Conveyance (C & C) Tax Fund that funded this project.								
<b>Transfer to District 9 Construction &amp; Conveyance Tax Fund</b>			\$27,000		\$27,000			\$27,000
Transfers General Fund savings from the Irrigation Renovation at Paul Moore Park project along with an additional \$20,000 from the General Fund to the Council District 9 Construction and Conveyance Tax Fund to reconcile the appropriate funding sources for the Irrigation Renovation at Paul Moore Park project.								
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<b>TRANSFERS</b>			\$222,000		\$222,000	\$0		\$222,000
<b>EARMARKED RESERVES</b>								

**General Fund  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>EARMARKED RESERVES</b>								
<b>Clean-Up/Reserve: Enhanced Parks Maintenance</b>			\$561,884		\$561,884			\$561,884
Reserves additional funding that was received from Construction and Conveyance (C&C) Tax Funds - Parks. By Council policy, 15% of Parks C&C are transferred annually to the General Fund for parks maintenance.								
<b>Reserve for 2003-2004 Deficit</b>			\$10,910,288		\$10,910,288			\$10,910,288
Per Council direction, establishes a reserve to address the 2003-2004 Deficit as described in the 2003-2007 Five-Year Forecast that was released in March 2002.								
<b>EARMARKED RESERVES</b>			\$11,472,172		\$11,472,172	\$0		\$11,472,172
<b>CAPITAL</b>								
<b>Demolition (6th and Williams Park)</b>			(\$24,000)		(\$24,000)			(\$24,000)
Decreases the Demolition 6th and Williams Park allocation by \$24,000 that is no longer necessary. The project was funded from the Council District 3 Construction and Conveyance (C & C) Tax Fund. The General Fund savings will be transferred to the District 3 C & C Tax Fund.								
<b>Irrigation Renovation-Paul Moore Park</b>			(\$7,000)		(\$7,000)			(\$7,000)
Reduces the Irrigation Renovation-Paul Moore Park appropriation that is no longer necessary. The project savings will be transferred to the Council District 9 Construction and Conveyance Tax Fund that funded the majority of this project.								
<b>Towers Lane Improvements</b>			\$36,000		\$36,000	\$36,000		\$0
Appropriates an additional \$36,000 to the Towers Lane Improvements project that has been collected from developers for this project.								
<b>CAPITAL</b>			\$5,000		\$5,000	\$36,000		(\$31,000)
<b>CITY-WIDE</b>								
<b>Community Based Aftercare Prgm (3.0 FTE Limit Date Ext)</b>			\$720,000		\$720,000	\$720,000		\$0
Provides funding support from Santa Clara County for the second year of the Community Based Aftercare Program and authorizes the extension of 3.0 FTE to continue administering the program.								

**General Fund  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment	Other			Beg Fund Balance	
<b>CITY-WIDE</b>							
<b>Convention Center Expansion Consultant</b>			\$150,000		\$150,000	\$75,000	\$75,000
Provides funding for consultant services to assist with the Convention Center Expansion project. One-half of the funds will be provided from the Redevelopment Agency.							
<b>Grant: San Jose 4 Quality</b>			\$77,406		\$77,406	\$77,406	\$0
Provides grant funding for a limited number of after school programs, including training on best practices and one-time site enhancements.							
<b>Packard Smart Start Ctrs: Second Grant Year</b>			\$965,416		\$965,416	\$965,416	\$0
Increases grant funding for Smart Start Centers for 2002-2003.							
<b>Rancho del Pueblo Debt Service Adjustment</b>			\$71,000		\$71,000		\$71,000
Increases the debt service funding to meet the debt service obligation in 2002-2003. This adjustment corrects an error in the Adopted Budget.							
<b>San Jose LEARNS</b>			\$259,184		\$259,184		\$259,184
Provides for the return of funding to the State for the amount of revenue received in excess of the actual expenditure level.							
<b>Silicon Valley Football Classic</b>			\$100,000		\$100,000		\$100,000
Provides funding to support the Silicon Valley Football Classic that was inadvertently omitted during the preparation of the 2002-2003 Adopted Operating Budget.							
<b>Workers' Comp Claims Payments</b>			\$500,000		\$500,000		\$500,000
Increases funding for workers' compensation claims payments. This action is recommended due to medical costs greater than anticipated in 2001-2002 that have continued for 2002-2003. A further revision may be necessary by the end of the year as additional information becomes available.							
<b>CITY-WIDE</b>			<b>\$2,843,006</b>		<b>\$2,843,006</b>	<b>\$1,837,822</b>	<b>\$1,005,184</b>
<b>Total General Fund Actions</b>	<b>\$78,490</b>	<b>\$945,040</b>	<b>\$14,542,178</b>		<b>\$15,565,708</b>	<b>\$2,487,352</b>	<b>\$13,078,356</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>GIFT TRUST FUND (139)</b>								
<b>FINANCE</b>								
<b>Earned Revenue Reconciliation</b>				(\$17,180)	(\$17,180)	(\$17,180)		\$0
Adjusts earned revenue estimate to account for gifts expected in 2002-2003 that were actually received by the Parks, Recreation and Neighborhood Services Department in 2001-2002 (Animal Services Donations, \$5,000; J. Ward Memorial Scholarship, \$12,000) and slightly reduces interest earnings estimates (\$180).								
<b>POLICE</b>								
<b>Add and Rebudget: S.A.V.E Program</b>			\$9,800	\$200	\$10,000	\$10,000		\$0
Adjusts current appropriation downward to reflect the actual 2001-2002 savings balance, and augments the appropriation by \$10,000 to account for new donations received. A corresponding increase has been made in the Earned Revenue estimate.								
<b>PRNS</b>								
<b>Add and Rebudget: Animal Service Donations</b>			\$5,000	(\$2,500)	\$2,500	\$2,500		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$2,500 to account for new donations. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Miscellaneous Gifts Under \$1,000</b>			\$600		\$600	\$600		\$0
Increases the appropriation by \$600 due to receipt of additional gift for miscellaneous Parks, Recreation and Neighborhood Services purposes. A corresponding increase has been made in the Earned Revenue estimate.								
<b>LIBRARY</b>								
<b>Add and Rebudget: Books for Little Hands</b>			\$3,800	(\$2,800)	\$1,000	\$1,000		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$1,000 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>GIFT TRUST FUND (139)</b>								
<b>LIBRARY</b>								
<b>Add and Rebudget: Children's Summer Reading Club</b>			\$24,500	(\$13,500)	\$11,000	\$11,000		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$11,000 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Add and Rebudget: Garbage Stickers</b>			\$6,500	(\$1,500)	\$5,000	\$5,000		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$5,000 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Add and Rebudget: Library General Gifts</b>			\$79,512	(\$52,512)	\$27,000	\$27,000		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$27,000 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Add and Rebudget: Library Literacy Project</b>			\$3,400	(\$900)	\$2,500	\$2,500		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$2,500 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Add and Rebudget: Partners in Reading Planning Project</b>			\$75,336	(\$60,336)	\$15,000	\$15,000		\$0
Rebudgets 2001-2002 savings for the same purpose and augments the appropriation by \$15,000 to account for expected new revenues for the first half of the year, based on historical collection patterns for this gift. A corresponding increase has been made in the Earned Revenue estimate.								
<b>Total for Fund 139</b>			<b>\$208,448</b>	<b>(\$151,028)</b>	<b>\$57,420</b>	<b>\$57,420</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>EMPLOYEE BENEFITS FD (160)</b>								
<b>EMPLOYEE SERVICES</b>								
<b>AFLAC - Reimbursement/Administrative Fees</b>		\$50,000			\$50,000	\$50,000		\$0
City has a balance from unused participant deposits from the Medical Reimbursement Account and the Dependent Care Assistance Program which the plan administrator must return to the employer. The City will use this balance to pay the \$3 administrator fee per month per employee. The appropriation will continue to offset any administrative fees until the funds are depleted.								
<b>Employee Assistance Program Cleanup</b>			(\$150,000)		(\$150,000)	(\$150,000)		\$0
Reduces funding for the Employee Assistance program to relect costs of recently awarded contract to provide this service to City employees.								
<b>Total for Fund 160</b>		\$50,000	(\$150,000)		(\$100,000)	(\$100,000)		\$0
<b>WORKFORCE INVESTMENT ACT (290)</b>								
<b>ECONOMIC DEVELOPMENT</b>								
<b>Teachers Technology Program</b>			\$400,000		\$400,000	\$400,000		\$0
Allocates new grant funding to provide technology-related training to teachers.								
<b>Universal Access Grant</b>			\$5,557		\$5,557	\$5,557		\$0
Provides grant funding for outreach and education activities to enable the unemployed population to gain access to Workforce Investment Act training programs.								
<b>Total for Fund 290</b>			\$405,557		\$405,557	\$405,557		\$0
<b>SUBDIVISION PARK TRUST FD (375)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
<b>Reserve: Future PDO/PIFO Projects</b>			(\$60,000)		(\$60,000)			(\$60,000)
Reduces the Reserve for Future PDO/PIFO Projects to provide funding for the new Turnkey Park: Cahill Phase I project.								



**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST	
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance		
<b>SUBDIVISION PARK TRUST FD (375)</b>									
<b>Parks/Commtty Fac Capital Pgm</b>									
<b>Turnkey Park: Cahill Phase I</b>			\$60,000		\$60,000			\$60,000	
Establishes a new appropriation for Cahill Park. Receipt of \$60,000 was received from Avalon Bay Communities for design review and inspection fees for this turnkey park.									
<b>Total for Fund 375</b>					\$0	\$0		\$0	
<b>CONST/CONV TX FD PKS CD1(377)</b>									
<b>Parks/Commtty Fac Capital Pgm</b>									
<b>Rainbow Park Play Area Renovation and Expansion</b>			\$260,000	(\$260,000)	\$0			\$0	
Provides funding for a "play-for-all" play area for elementary ages (6 to 12) at Rainbow Park. This project will augment the renovation performed as part of the Park Bond Project. A portion of this project (\$100,000) will be funded by a reduction to the Saratoga Creek Park Irrigation Renovation Project.									
<b>Saratoga Creek Park Irrigation Renovation</b>			(\$100,000)	\$100,000	\$0			\$0	
Eliminates the funding for the design phase of the Saratoga Creek Park Irrigation Renovation project to provide a portion of the funding for the Rainbow Park Play Area addition. It is anticipated that the \$100,000 for the design phase of this project will be reprogrammed in 2003-2004 and the construction funding (\$500,000) will be moved from 2003-2004 to 2004-2005.									
<b>Total for Fund 377</b>					\$160,000	(\$160,000)	\$0	\$0	\$0
<b>CONST/CONV TAX FD PARKS CD3 (380)</b>									
<b>Parks/Commtty Fac Capital Pgm</b>									
<b>Transfer from General Fund-Demolition 6th and Williams</b>					\$24,000	\$24,000	\$24,000	\$0	
Transfers General Fund savings associated with the Demolition 6th and Williams project to the District 3 Construction and Conveyance Tax Fund that funded this project.									
<b>Total for Fund 380</b>					\$24,000	\$24,000	\$24,000	\$0	

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX FD PARKS CD5 (382)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Silvia Cassell Park Play Area Renovation			\$73,000	(\$73,000)	\$0			\$0
Provides supplemental funding for an existing Park Bond project to provide additional play elements.								
<b>Total for Fund 382</b>			<b>\$73,000</b>	<b>(\$73,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONST/CONV TAX FD PARKS CD8 (386)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fowler Creek Master Plan			\$70,000	(\$70,000)	\$0			\$0
Provides additional funding due to a revision of the master plan.								
Montgomery Hill Park Bridge			\$51,000	(\$51,000)	\$0			\$0
Provides funding to remove an abandoned irrigation line at the Montgomery Hill Park Bridge site as required by the Santa Clara Valley Water District.								
<b>Total for Fund 386</b>			<b>\$121,000</b>	<b>(\$121,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONST/CONV TAX FD PARKS CD9 (388)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Doerr Park Restroom Renovation			(\$40,000)	\$40,000	\$0			\$0
Reduces the Doerr Park Restroom Renovation allocation by \$40,000 that is no longer necessary. Project had a scope change eliminating the relocation of a mural that was at the restroom prior to the renovation.								
Transfer from the General Fund-Paul Moore Park				\$27,000	\$27,000	\$27,000		\$0
Transfers General Fund savings from the Irrigation Renovation at Paul Moore Park project along with an additional \$20,000 from the General Fund to the Council District 9 Construction and Conveyance Tax Fund to reconcile the appropriate funding sources for the Irrigation Renovation at Paul Moore Park project.								
<b>Total for Fund 388</b>			<b>(\$40,000)</b>	<b>\$67,000</b>	<b>\$27,000</b>	<b>\$27,000</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TX FD PKS CD10 (389)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Glenview Park Play Lot Renovation			\$75,000	(\$75,000)	\$0			\$0
Provides funding to accelerate this play lot renovation project. This funding is currently programmed in 2003-3004 in the 5-Year Capital Improvement Program.								
<b>Total for Fund 389</b>			<b>\$75,000</b>	<b>(\$75,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONST/CONV TAX PARKS (391)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Overfelt Gardens Improvements			\$30,000	(\$30,000)	\$0			\$0
Provides funding for program mangement expenses.								
<b>Total for Fund 391</b>			<b>\$30,000</b>	<b>(\$30,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONST/CONV TAX FIRE (392)</b>								
<b>Fire Capital Program</b>								
Fire Station Diesel Exhaust			\$60,000	(\$60,000)	\$0			\$0
Provides additional funding for the Diesel Exhaust project. This adjustment will bring the funding level in line with the engineer's estimate, that came in higher than originally anticipated.								
<b>Total for Fund 392</b>			<b>\$60,000</b>	<b>(\$60,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONSTR/CONV TX-LIBRARY (393)</b>								
<b>Library Capital Program</b>								
Green Building Compliance			(\$30,000)	\$30,000	\$0			\$0
Eliminates the Green Building Compliance project. A corresponding increase for this project is recommended in the Library Bond Fund, which was the intended funding source for this item.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONSTR/CONV TX-LIBRARY (393)</b>								
<b>Library Capital Program</b>								
West Valley Branch-LEED Certification			\$163,000	(\$163,000)	\$0			\$0
Provides funding to complete the LEED Certification project.								
<b>Total for Fund 393</b>			<b>\$133,000</b>	<b>(\$133,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>SUPPL LAW ENF SVCES (414)</b>								
<b>POLICE</b>								
Eliminate Reserve for CAD System			(\$4,730,922)		(\$4,730,922)			(\$4,730,922)
Eliminates the Reserve for CAD System that is no longer necessary. This funding was allocated at the end of 2001-2002.								
<b>Total for Fund 414</b>			<b>(\$4,730,922)</b>		<b>(\$4,730,922)</b>	<b>\$0</b>		<b>(\$4,730,922)</b>
<b>BUILDING &amp; STRUCT CONSTR TAX (429)</b>								
<b>Traffic Capital Program</b>								
ITS: Airport Area			\$103,000	(\$103,000)	\$0			\$0
Provides funding for a change order to permit video sharing between the San Jose Norman Y. Mineta Airport Response Center and the City's 911 dispatch center. This investment will enhance security surveillance capabilities and leverage existing investments in infrastructure improvements.								
ITS: Enhancements			\$171,000	\$32,000	\$203,000	\$203,000		\$0
Provides additional funding for traffic signal control data exchange software, and recognizes revenue reimbursements for the purchase from the granting authority. Also recognizes additional reimbursements for this project not recognized in prior years.								
ITS: Milpitas-Fremont			\$160,000	(\$160,000)	\$0			\$0
Provides additional funding to purchase network and traffic signal control equipment.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>BUILDING &amp; STRUCT CONSTR TAX (429)</b>								
<b>Traffic Capital Program</b>								
<b>ITS: Regional Signal Coordination</b>			\$279,000	(\$223,000)	\$56,000	\$56,000		\$0
Provides funding for grant reimbursable improvements as part of the Bascom Avenue Signal Timing project. The project will improve mobility and safety on a 6.5 mile corridor extending from Interstate 880 to Lark Avenue to Los Gatos. Revenues are received after work is completed; a corresponding revenue adjustment based on billable expenses for the current year is recommended.								
<b>King Road: Penitencia to McKee</b>			\$92,000		\$92,000	\$92,000		\$0
Provides an additional \$92,000 for the installation of a signal at Commodore Drive. The increase is funded by a developer contribution and a corresponding increase has been made in the Earned Revenue estimate.								
<b>Route 101: Mabury Interchange Upgrade</b>			\$1,200,000	(\$1,200,000)	\$0			\$0
Provides funding for planning studies and development of an interchange at Route 101 and Mabury to provide access to the planned Berryessa BART station. A corresponding reduction for the Route 101: Trimble Interchange and Route 880: Brokaw Interchange projects provides the funding for the increase.								
<b>Route 101: Trimble Interchange Upgrade</b>			(\$900,000)	\$900,000	\$0			\$0
Reduces the project allocation to provide a portion of the necessary funding for the Route 101: Mabury Interchange Project.								
<b>Route 880: Brokaw Interchange</b>			(\$300,000)	\$300,000	\$0			\$0
Reduces the project allocation to provide a portion of the necessary funding for the Route 101: Mabury Interchange Upgrade project.								
<b>Traffic Signals: Light Rail Retiming</b>			\$435,000		\$435,000	\$435,000		\$0
Provides for retiming traffic signals along and across the light rail transit corridors in San Jose. The project is completely grant-supported and a corresponding increase has been made in the Earned Revenue estimate.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>BUILDING &amp; STRUCT CONSTR TAX (429)</b>								
<b>Traffic Capital Program</b>								
<b>Wooster Avenue: Silver Creek Bridge</b>			\$159,000	(\$159,000)	\$0			\$0
Provides an additional \$159,000 in order to comply with environmental monitoring requirements during project construction in a sensitive riparian environment.								
<b>Total for Fund 429</b>			<b>\$1,399,000</b>	<b>(\$613,000)</b>	<b>\$786,000</b>	<b>\$786,000</b>		<b>\$0</b>
<b>REDEV CAPITAL PROJECTS FUND</b>								
<b>PUBLIC WORKS</b>								
<b>Underground St. Light System on Oak and Edwards Streets</b>			\$153,400		\$153,400	\$153,400		\$0
Provides Redevelopment Agency funds that will enable the Department of Public Works to perform an overhead to underground utility conversion. This adjustment is brought forward at the request of the Redevelopment Agency and findings related to this project are included in the appendix of this document.								
<b>West San Carlos St. Median Island Improvements</b>			\$29,935	(\$29,935)	\$0			\$0
Provides for a transfer to the Redevelopment Agency for project construction savings which, by agreement, are returned to the Agency upon project completion.								
<b>Winchester Boulevard Median Island Improvement Project</b>			\$228,000		\$228,000	\$228,000		\$0
Provides Redevelopment Agency funding for the Department of Public Works to construct median island and turn lane improvements in the public right-of-way on Winchester Boulevard from Moorpark Avenue to Impala Drive. This adjustment is brought forward at the request of the Redevelopment Agency and findings related to this project are included in the appendix of this document.								
<b>ECONOMIC DEVELOPMENT</b>								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>REDEV CAPITAL PROJECTS FUND</b>								
<b>ECONOMIC DEVELOPMENT</b>								
<b>Small Business Loan Program</b>			\$500,000		\$500,000	\$500,000		\$0
Provides Redevelopment Agency funding for the creation of a Small Business Loan Program to be administered by the Office of Economic Development. This adjustment is brought forward at the request of the Redevelopment Agency. This Program will make loans available to small retail businesses located Downtown and in Neighborhood Business Districts providing they meet certain qualifications.								
<b>PRNS</b>								
<b>Enhancement of the Public Spaces on Paseo de San Antonio</b>			(\$78,490)	\$78,490	\$0			\$0
Reduces the Enhancement of Public Spaces on Paseo de San Antonio appropriation in the Redevelopment Capital Projects Fund. In a separate transaction, these savings are being transferred to the General Fund and will be used by the Parks, Recreation and Neighborhood Services Department for this project.								
<b>Transfer to General Fund PRNS-Paseo de San Antonio</b>			\$78,490	(\$78,490)	\$0			\$0
Transfers funds received from the Redevelopment Agency for Enhancements to Paseo de San Antonio to the General Fund. This funding will be allocated to the Parks, Recreation, and Neighborhood Services Department for this project.								
<b>CAPITAL</b>								
<b>Earned Revenue Reconciliation</b>				(\$2,618,490)	(\$2,618,490)	(\$2,618,490)		\$0
Adjusts for revenue recognized in 2002-2003 that was received earlier than anticipated, at the end of 2001-2002.								
<b>Total for Fund 450</b>			<b>\$911,335</b>	<b>(\$2,648,425)</b>	<b>(\$1,737,090)</b>	<b>(\$1,737,090)</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>TRANSIENT OCCUPANCY TAX (461)</b>								
<b>CAE SVCS</b>								
<b>Cultural Organizations</b>			(\$262,740)	\$262,740	\$0			\$0
Reduces allocations to the Fine Arts Commission for distribution to various cultural organizations that receive funding from the Transient Occupancy Tax due to the lower actual tax collections in 2001-2002. Per City Ordinance, the Fine Arts Commission receives 25% of the TOT tax receipts. This adjustment is necessary to adjust the Commission's share of 2001-2002 tax receipts.								
<b>S J Convention Visitors Bureau</b>			(\$262,740)	\$262,740	\$0			\$0
Reduces funding for the San Jose Convention Visitors Bureau (CVB) based on the lower Transient Occupancy Tax collections received in 2001-2002. Per City Ordinance, the CVB receives 25% of the TOT tax receipts. This adjustment is necessary to adjust CVB's share of 2001-2002 tax receipts.								
<b>Transfer to Conventions, Arts &amp; Entertainment Fund</b>			(\$23,858)	\$23,858	\$0			\$0
Reduces the transfer to the Conventions, Arts and Entertainment CAE Fund due to the lower than anticipated Transient Occupancy Tax collections in 2001-2002. Per City Ordinance, the CAE Fund receives 50% of the TOT tax receipts. This adjustment is necessary to adjust CAE Fund's share of 2001-2002 tax receipts.								
<b>Total for Fund 461</b>			<b>(\$549,338)</b>	<b>\$549,338</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONSTRUCTION EXCISE TAX FD (465)</b>								
<b>Traffic Capital Program</b>								
<b>Earned Revenue Adjustment</b>				\$1,274,000	\$1,274,000	\$1,274,000		\$0
Recognizes additional grant revenues for street repairs projects (\$200,000) and rebudgets revenues from 2001-2002 that will be received later than initially anticipated due to project delays in two street maintenance projects (Measure A/B, \$974,000; ISTEACMP, \$100,000).								
<b>Geographic Information Systems</b>			\$100,000	(\$100,000)	\$0			\$0
Restores funding for the Geographic Information Systems project that was removed in 2001-2002 to offset a possible shortfall in tax revenues anticipated at that time.								



**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONSTRUCTION EXCISE TAX FD (465)</b>								
<b>Traffic Capital Program</b>								
<b>IMS/GIS Conversion</b>			\$100,000	(\$100,000)	\$0			\$0
Restores funding for the IMS/GIS Conversion that was removed in 2001-2002 to offset a possible shortfall in tax revenues anticipated at that time.								
<b>Route 101: Mabury Interchange Upgrade</b>			\$500,000	(\$500,000)	\$0			\$0
Provides funding for planning studies and development of an interchange at Route 101 and Mabury to provide access to the planned Berryessa BART station. A corresponding reduction for the Route 101: Soundwall at Mabury project provides the funding for the increase.								
<b>Route 101: Soundwall at Mabury</b>			(\$500,000)	\$500,000	\$0			\$0
Reduces the Route 101: Soundwall at Maybury project allocation to provide necessary funding for the Route 101: Mabury Interchange Upgrade project. Noise abatement will be part of the new project.								
<b>Transfer from General Fund for Street Maintenance</b>			\$171,000		\$171,000	\$171,000		\$0
Transfers General Fund savings realized in 2001-2002 from the Minor Street Reconstruction project to be used for Street Maintenance.								
<b>Underground Utilities - City Conversions</b>			\$100,000	(\$100,000)	\$0			\$0
Restores funding for the Underground Utilities-City Conversions that was removed in 2001-2002 to offset a possible shortfall in tax revenues anticipated at that time.								
<b>Winchester Blvd: MIL: Moorpark to Impala</b>			\$80,000		\$80,000	\$80,000		\$0
Recognizes developer contributions and establishes an appropriation to enable the City to construct median island and turn lane improvements within the public right of way on Winchester Boulevard, between Moorpark Avenue and Impala Drive.								
<b>Total for Fund 465</b>			<b>\$551,000</b>	<b>\$974,000</b>	<b>\$1,525,000</b>	<b>\$1,525,000</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PARKS &amp; REC BOND PRJ FD (471)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
<b>Deanza Park</b>			(\$207,000)	\$207,000	\$0			\$0
Eliminates funding for the Deanza Park project because this project was completed in 2001. The Park Trust Fund and the Council District 9 Construction and Conveyance Tax Fund provided the funding for this project. The Council District 9 Construction and Conveyance Tax Fund was reimbursed from the Park Bond Fund for eligible expenditures in 2001-2002.								
<b>Parque de la Amistad</b>			(\$208,000)	\$208,000	\$0			\$0
Eliminates funding for the Parque de la Amistad project because this project was completed in 2001. The Council District 5 Construction and Conveyance Tax Fund initially funded the total cost of this project but was reimbursed from the Park Bond Fund for eligible expenditures in 2001-2002.								
<b>Total for Fund 471</b>			<b>(\$415,000)</b>	<b>\$415,000</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>BRANCH LIB BOND PRJ FD (472)</b>								
<b>Library Capital Program</b>								
<b>Green Building Compliance</b>			\$30,000	(\$30,000)	\$0			\$0
Provides funding for the Green Building Compliance project from the intended funding source. A corresponding decrease for this project is recommended in the Library Construction and Conveyance Tax Fund.								
<b>Total for Fund 472</b>			<b>\$30,000</b>	<b>(\$30,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>Neighborhood Security Bond Fund</b>								
<b>POLICE</b>								
<b>Central Community Policing Center</b>			\$250,000		\$250,000			\$250,000
Provides one-time funding for exterior renovations at the Central Community Policing Center. Scope of work includes paving parking area, installing a handicap ramp entrance, constructing garbage dumpster enclosure, irrigation system installation, planters and turf.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>Neighborhood Security Bond Fund</b>								
<b>POLICE</b>								
South San Jose Substation				(\$250,000)	(\$250,000)			(\$250,000)
Provides funding for exterior renovations at the Central Community Policing Center.								
<b>Total for Fund 475</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>WATER UTILITY CAPITAL FD (500)</b>								
<b>Water Utility Sys Capital Pgm</b>								
Infrastructure Improvements				\$49,000	(\$49,000)	\$0		\$0
Provides additional funds required to ensure adequate funding for the annual repairs and replacement contract that will be awarded later in 2002-2003.								
Service Installations				\$97,000	(\$97,000)	\$0		\$0
Provides additional funds required to ensure adequate funding for the annual repairs and replacement contract that will be awarded later in 2002-2003.								
<b>Total for Fund 500</b>					<b>\$146,000</b>	<b>(\$146,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>SJ-SC TRMNT PLANT CAP FD (512)</b>								
<b>Water Poll Capital Program</b>								
WPCP Reliability Improvements				\$340,000	(\$340,000)	\$0		\$0
Provides additional funding for design services for the Wet Weather Reliability Project and the replacement of heat exchangers at the Water Pollution Control Plant due to schedule and scope changes. These funds are in addition to \$3.4 million in unexpended 2001-2002 funds recommended for rebudget in this document.								
<b>Total for Fund 512</b>					<b>\$340,000</b>	<b>(\$340,000)</b>	<b>\$0</b>	<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT CAPITAL IMPVT FD (520)</b>								
<b>Airport Capital Program</b>								
<b>Land Improvements</b>			\$100,000	(\$100,000)	\$0			\$0
Establishes funding to provide for the construction of a concrete pad for a security-related structure on City-owned land operated by the Environmental Services Department.								
<b>Total for Fund 520</b>			<b>\$100,000</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>AIRPORT RENEW &amp; REPL FD (527)</b>								
<b>Airport Capital Program</b>								
<b>Alternative Fueling Station</b>			\$734,000	(\$734,000)	\$0			\$0
Increases the Alternative Fueling Station appropriation by \$734,000 as final bids were higher than anticipated. A corresponding reduction to the Taxiway Y Interim Rehabilitation appropriation is recommended to provide the funding for this increase.								
<b>Building Modifications</b>			(\$10,000)	\$10,000	\$0			\$0
Decreases the Building Modifications appropriation by \$10,000 to provide additional funding for the Restroom Upgrades-Terminal project.								
<b>Communications Center Console Redesign</b>			\$92,000	(\$92,000)	\$0			\$0
Increases the Communications Center Console Redesign appropriation by \$92,000 to provide funding for the replacement of the telephone processing system in the Airport Communications Center as well as remodel the Center to accommodate new access control equipment. A corresponding decrease to the Equipment, Operating appropriation is recommended to provide the funding for this increase.								
<b>Equipment, Operating</b>			\$6,000	(\$6,000)	\$0			\$0
A net increase of \$6,000 to the Equipment, Operating appropriation is recommended. This reflects a reduction of \$92,000 to provide funding for the Communications Center Console Redesign project and an increase of \$98,000 to fund the purchase of a lift system to accommodate disabled passengers boarding and exiting flights.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT RENEW &amp; REPL FD (527)</b>								
<b>Airport Capital Program</b>								
<b>Property and Revenue Management System</b>			\$165,000	(\$165,000)	\$0			\$0
Increases the Property and Revenue Management System appropriation by \$165,000 as projects bids were higher than estimated.								
<b>Restroom Upgrades-Terminals</b>			\$10,000	(\$10,000)	\$0			\$0
Increases the Restroom Upgrades-Terminals appropriation by \$10,000 to fund the upgrade to the restroom trailers installed in the Airport's Facilities Maintenance Yard. A corresponding reduction to the Building Modifications appropriation is recommended to provide the necessary funding.								
<b>Taxiway Y Interim Rehabilitation</b>			(\$734,000)	\$734,000	\$0			\$0
Decreases the Taxiway Y Interim Rehabilitation appropriation by \$734,000 in order to provide funding for a corresponding increase to the Alternative Fueling Station appropriation.								
<b>Terminal Modifications A &amp; C</b>			\$147,000	(\$147,000)	\$0			\$0
A net increase of \$147,000 to the Terminal Modifications A & C appropriation is recommended. This reflects an increase of \$150,000 required to reimburse American Airlines for costs associated with its move into the new Interim Federal Inspection Service Facility. In addition, a reduction of \$3,000 is recommended to provide additional funding for the Terminal/Garage Awnings project.								
<b>Terminal/Garage Awnings</b>			\$3,000	(\$3,000)	\$0			\$0
Increases the Terminal/Garage Awnings appropriation by \$3,000 to provide funding for the purchase and installation of shuttle bus shelters at the Airport. A corresponding reduction to the Terminal Modifications A and C appropriation is recommended to provide the funding for this increase.								
<b>Traffic Mitigation</b>			(\$97,000)	\$97,000	\$0			\$0
Decreases the Traffic Mitigation appropriation by \$97,000 to provide additional funding for the West Side Fiber Optic Line project.								

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT RENEW &amp; REPL FD (527)</b>								
<b>Airport Capital Program</b>								
<b>West Side Fiber Optic Line</b>			\$97,000	(\$97,000)	\$0			\$0
Increases the West Side Fiber Optic Line appropriation by \$97,000 due to higher than anticipated construction costs for this project. A corresponding reduction to the Traffic Mitigation appropriation is recommended to provide the funding for this increase.								
<b>Total for Fund 527</b>			<b>\$413,000</b>	<b>(\$413,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>AIRPORT PASS FACIL CHG FD (529)</b>								
<b>Airport Capital Program</b>								
<b>Federal Inspection Service Facility</b>			\$474,000	(\$474,000)	\$0			\$0
Increases the Federal Inspection Service Facility appropriation by \$474,000 in order to retain the existing project funding level, which was reduced due to the liquidation of a prior year encumbrance.								
<b>Noise Attenuation Treatment-Category IB</b>			(\$338,000)	\$338,000	\$0			\$0
Decreases the Noise Attenuation Treatment-Category IB appropriation by \$338,000 in order to provide funding for increases to the Noise Attenuation-Schools and Noise Attenuation-Category II/III appropriations.								
<b>Noise Attenuation Treatment-Category II/III</b>			\$174,000	(\$174,000)	\$0			\$0
Increases the Noise Attenuation Treatment-Category II/III appropriation in order to provide funding for higher than anticipated consultant costs to administer the acoustical treatment of selected dwellings. As the level of treatment for homes in the Category II/III area increased, funding requirements to monitor this work increased as well.								
<b>Noise Attenuation Treatment-Schools</b>			\$164,000	(\$164,000)	\$0			\$0
Increases the Noise Attenuation Treatment-Schools appropriation by \$164,000 in order to reflect a technical adjustment to accommodate local matching funds needed to acoustically treat the Sacred Heart School.								
<b>Total for Fund 529</b>			<b>\$474,000</b>	<b>(\$474,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>GENERAL PURPOSE PARKING FD (533)</b>								
<b>TRANSPORTATION</b>								
Reserve for Capital Facility Improvements			(250,000)	\$250,000	\$0			\$0
Eliminates this Reserve for Capital Facility Improvements that was budgeted twice in the Adopted Budget.								
<b>Total for Fund 533</b>			<b>(250,000)</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>CONV/CULTL FACIL FD (536)</b>								
<b>CAE SVCS</b>								
Art Incubation Rent Increase		\$58,240		(\$58,240)	\$0			\$0
Provides additional funding to cover the rent increase for the Art Incubation Program.								
Clean-Up: Reflects Reduced Transfer from TOT				(\$23,858)	(\$23,858)	(\$23,858)		\$0
Reduces the transfer from the Transient Occupancy Tax Fund due to the lower than anticipated Transient Occupancy Tax collections in 2001-2002.								
<b>Total for Fund 536</b>		<b>\$58,240</b>		<b>(\$82,098)</b>	<b>(\$23,858)</b>	<b>(\$23,858)</b>		<b>\$0</b>
<b>SANITARY SEWER CONN FEE FD (540)</b>								
<b>Sanitary Sewer Capital Program</b>								
Earned Revenue: Tech. Adj for Civic Center Loan Repaymts				\$110,000	\$110,000	\$110,000		\$0
Increases the revenue estimate by \$110,000 to account for interest earnings on the Civic Center Loan that is scheduled to be repaid in 2002-2003. This transaction brings the anticipated loan repayment in line with the amount budgeted in the Civic Center Construction Fund.								
<b>Total for Fund 540</b>				<b>\$110,000</b>	<b>\$110,000</b>	<b>\$110,000</b>		<b>\$0</b>

**Special Funds  
Appropriation Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>SEWER SVC &amp; USE CHG CAP (545)</b>								
<b>Sanitary Sewer Capital Program</b>								
<b>60" Reinforced Concrete Pipe</b>			\$100,000	(\$100,000)	\$0			\$0
Provides additional funds for design and construction support due to recent condition assessments on portions of the interceptor system. Staff conducted a condition assessment of the interceptor system and determined that both the 60 " Reinforced Concrete Pipe and the parallel 84 " Reinforced Concrete Pipe within this reach are severely corroded and in need of rehabilitation.								
<b>San Tomas Aquino Creek Trunk Sewer</b>			\$210,000	(\$210,000)	\$0			\$0
Provides an additional \$210,000 due to a schedule change. These funds are needed to meet the project cost estimate and award the San Tomas Aquino Creek Trunk Sewer Rehabilitation Phase II project originally programmed in 2003-2004.								
<b>Total for Fund 545</b>			<b>\$310,000</b>	<b>(\$310,000)</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>



**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CITY MANAGER</b>								
Rebudget: Economist Contract		\$10,000			\$10,000			\$10,000
Rebudget: Non-Personal/Equipment		\$30,000			\$30,000			\$30,000
<b>CITY MANAGER</b>		<b>\$40,000</b>			<b>\$40,000</b>	<b>\$0</b>		<b>\$40,000</b>
<b>MAYOR &amp; COUNCIL</b>								
Rebudget: Council District 2			(\$4,765)		(\$4,765)			(\$4,765)
Rebudget: Mayor's Office			(\$28,906)		(\$28,906)			(\$28,906)
<b>MAYOR &amp; COUNCIL</b>			<b>(\$33,671)</b>		<b>(\$33,671)</b>	<b>\$0</b>		<b>(\$33,671)</b>
<b>INFORMATION TECHNOLOGY</b>								
Rebudget: San Jose Permits On-Line (IDTS)		\$65,520			\$65,520			\$65,520
<b>INFORMATION TECHNOLOGY</b>		<b>\$65,520</b>			<b>\$65,520</b>	<b>\$0</b>		<b>\$65,520</b>
<b>CITY AUDITOR</b>								
Rebudget: Office Equipment		(\$15,456)			(\$15,456)			(\$15,456)
<b>CITY AUDITOR</b>		<b>(\$15,456)</b>			<b>(\$15,456)</b>	<b>\$0</b>		<b>(\$15,456)</b>
<b>EMPLOYEE SERVICES</b>								
Workers' Comp Claims Mgt System Transfer from Finance Dept		\$80,000			\$80,000			\$80,000
<b>EMPLOYEE SERVICES</b>		<b>\$80,000</b>			<b>\$80,000</b>	<b>\$0</b>		<b>\$80,000</b>
<b>FINANCE</b>								
Transfer of Workers' Comp Claims Mgt System to Employee Svcs		(\$80,000)			(\$80,000)			(\$80,000)
<b>FINANCE</b>		<b>(\$80,000)</b>			<b>(\$80,000)</b>	<b>\$0</b>		<b>(\$80,000)</b>
<b>POLICE</b>								
Miscellaneous Rebudgets		\$89,092			\$89,092			\$89,092
Rebudget: Day Worker	\$137,500				\$137,500	\$137,500		\$0
Rebudget: Domestic Violence Grant	\$17,144	\$70,408			\$87,552	\$87,552		\$0

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>POLICE</b>								
Rebudget: HIDTA Projects	\$37,757				\$37,757	\$37,757		\$0
Rebudget: Joint Terrorist	\$6,728				\$6,728	\$6,728		\$0
Rebudget: Regional Auto Theft	\$20,819	\$441			\$21,260	\$21,260		\$0
<b>POLICE</b>	<b>\$219,948</b>	<b>\$159,941</b>			<b>\$379,889</b>	<b>\$290,797</b>		<b>\$89,092</b>
<b>TRANSPORTATION</b>								
Revenue: Decrease Transportation-Related Deptl Charges					\$0	(\$10,881)		\$10,881
Revenue: Increase Transportation-Related Rev frm Local Agencies					\$0	\$2,000		(\$2,000)
Revenue: Increase Transportation-Related Licenses and Permits					\$0	\$513		(\$513)
Revenue: Increase Transportation-Related Other Revenue					\$0	\$868		(\$868)
Revenue: Increase Transportation-Related Rev from State of Calif.					\$0	\$7,500		(\$7,500)
<b>TRANSPORTATION</b>					<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>PUBLIC WORKS</b>								
Rebudget: Non-Personal/Equipment		(\$120,000)			(\$120,000)			(\$120,000)
<b>PUBLIC WORKS</b>		<b>(\$120,000)</b>			<b>(\$120,000)</b>	<b>\$0</b>		<b>(\$120,000)</b>
<b>PBCE</b>								
Rebudget: SNI Planning Studies		\$23,500			\$23,500	\$23,500		\$0
<b>PBCE</b>		<b>\$23,500</b>			<b>\$23,500</b>	<b>\$23,500</b>		<b>\$0</b>
<b>GENERAL SERVICES</b>								
CAP Adj: Reallocate Lease Costs-777 N. 1st St. # 300, 350 & 450		(\$18,000)			(\$18,000)			(\$18,000)
<b>GENERAL SERVICES</b>		<b>(\$18,000)</b>			<b>(\$18,000)</b>	<b>\$0</b>		<b>(\$18,000)</b>
<b>ECONOMIC DEVELOPMENT</b>								
Rebudget - Baytrade			\$83,825		\$83,825			\$83,825
<b>ECONOMIC DEVELOPMENT</b>			<b>\$83,825</b>		<b>\$83,825</b>	<b>\$0</b>		<b>\$83,825</b>

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PRNS</b>								
Revenue: Increased Departmental Charges					\$0	\$57,000		(\$57,000)
<b>PRNS</b>								
					\$0	\$57,000		(\$57,000)
<b>ENVIRON SVCS</b>								
Rebudget: Million Solar Roofs Grant	\$1,201	\$3,000			\$4,201	\$4,201		\$0
Rebudget: Targeting Energy Efficiency Management Grant	\$408	\$14,600			\$15,008	\$15,008		\$0
<b>ENVIRON SVCS</b>								
	\$1,609	\$17,600			\$19,209	\$19,209		\$0
<b>EARMARKED RESERVES</b>								
Reserve: Building Fee Program Reconciliation			\$647,558		\$647,558			\$647,558
Reserve: Fire Fee Program Reconciliation			(\$274,909)		(\$274,909)			(\$274,909)
Reserve: Planning Fee Program Reconciliation			\$592,540		\$592,540			\$592,540
<b>EARMARKED RESERVES</b>								
			\$965,189		\$965,189	\$0		\$965,189
<b>CAPITAL</b>								
Rebudget: Almaden Winery Center Conversion			(\$25,000)		(\$25,000)			(\$25,000)
Rebudget: Almaden Winery Park Enhancements			(\$133,000)		(\$133,000)			(\$133,000)
Rebudget: Alviso Education Center			\$675,000		\$675,000			\$675,000
Rebudget: Alviso Ring Levee			(\$5,000)		(\$5,000)			(\$5,000)
Rebudget: Andrew Hill High School Athletic Field Improvements			(\$875,000)		(\$875,000)			(\$875,000)
Rebudget: Animal Shelter Facility			\$452,000		\$452,000			\$452,000
Rebudget: Barberrry Lane Sidewalk Installation			\$12,000		\$12,000			\$12,000
Rebudget: Berryessa Road MIL			(\$471,000)		(\$471,000)			(\$471,000)
Rebudget: Bird and Fisk Park			(\$186,000)		(\$186,000)			(\$186,000)
Rebudget: Boggini Park Tot Lot			(\$43,000)		(\$43,000)			(\$43,000)
Rebudget: Boynton Avenue Sidewalk Installation			\$8,000		\$8,000			\$8,000
Rebudget: Buena Vista Park			(\$24,000)		(\$24,000)			(\$24,000)

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CAPITAL</b>								
Rebudget: Camden Avenue MIL: Blossom Hill to Kooser			(\$146,000)		(\$146,000)			(\$146,000)
Rebudget: Camden Community Center Fitness Equip. Replacement			\$11,000		\$11,000			\$11,000
Rebudget: Capitol Tuers Golf Course			(\$4,000)		(\$4,000)			(\$4,000)
Rebudget: Cedro Street: Cas Drive and Buckeye Drive			\$12,000		\$12,000			\$12,000
Rebudget: City Hall Annex Roof Repair			\$22,000		\$22,000			\$22,000
Rebudget: City of Morgan Hill USD Open Space Agreement			(\$3,500,000)		(\$3,500,000)			(\$3,500,000)
Rebudget: Citywide Sidewalk Repairs			\$19,000		\$19,000			\$19,000
Rebudget: Coleman Road MIL: Porto Alegre to Sentinel			(\$9,000)		(\$9,000)			(\$9,000)
Rebudget: Communications Bldg Roof Repair			\$32,000		\$32,000			\$32,000
Rebudget: Community Garden-Latimer School			\$3,000		\$3,000			\$3,000
Rebudget: Community Park at Floyd and Locust Streets			(\$5,000)		(\$5,000)			(\$5,000)
Rebudget: Convention Center Cellular Site			\$15,000		\$15,000			\$15,000
Rebudget: Curb and Gutter Repair			\$379,000		\$379,000			\$379,000
Rebudget: Doerr Park Restroom Renovation			\$68,000		\$68,000			\$68,000
Rebudget: Emergency Capital Maintenance			\$33,000		\$33,000			\$33,000
Rebudget: Engine 31/Rescue Units			\$597,000		\$597,000			\$597,000
Rebudget: Fernish Park Trail Improvements			\$78,000		\$78,000			\$78,000
Rebudget: Fire Apparatus Replacement & Repair			\$660,000		\$660,000			\$660,000
Rebudget: Fire One-Time Capital Improvements			\$14,000		\$14,000			\$14,000
Rebudget: Fire Station 9 Improvement			\$48,000		\$48,000			\$48,000
Rebudget: Fire Station Air Conditioning			\$841,000		\$841,000			\$841,000
Rebudget: Groesbeck Perimeter Landscaping			(\$6,000)		(\$6,000)			(\$6,000)
Rebudget: Groesbeck Security Lighting			\$2,000		\$2,000			\$2,000
Rebudget: Groesbeck Tennis Courts			\$1,000		\$1,000			\$1,000
Rebudget: Guadalupe River Trail Improvements			(\$148,000)		(\$148,000)			(\$148,000)

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CAPITAL</b>								
Rebudget: Hensley District Enhancements			(\$17,000)		(\$17,000)			(\$17,000)
Rebudget: Hillsdale Avenue Sidewalk Installation			(\$3,000)		(\$3,000)			(\$3,000)
Rebudget: Historical Museum Improvements			(\$6,000)		(\$6,000)			(\$6,000)
Rebudget: Historical Museum Light Tower			(\$6,000)		(\$6,000)			(\$6,000)
Rebudget: Holly Hill Infrastructure Improvements			(\$14,000)		(\$14,000)			(\$14,000)
Rebudget: Houge Park Tot/Youth Lot Renovation			\$7,000		\$7,000			\$7,000
Rebudget: Ice Centre Public Art			\$6,000		\$6,000			\$6,000
Rebudget: Joint Library Planning			\$29,000		\$29,000			\$29,000
Rebudget: Julian Street/McKee Street Overpass			\$31,000		\$31,000			\$31,000
Rebudget: Lewis Road Street Improvements			\$49,000		\$49,000			\$49,000
Rebudget: Lone Hill Park Tot/Youth Lot			\$15,000		\$15,000			\$15,000
Rebudget: Miscellaneous Bldg Repair			(\$83,000)		(\$83,000)			(\$83,000)
Rebudget: Municipal Stadium Improvements			\$21,000		\$21,000			\$21,000
Rebudget: Northside Community Center			\$3,306,000		\$3,306,000			\$3,306,000
Rebudget: Open Space-Greenbelt			\$500,000		\$500,000			\$500,000
Rebudget: PAL Gymnasium			\$63,000		\$63,000			\$63,000
Rebudget: Park Equipment Replacement			(\$94,000)		(\$94,000)			(\$94,000)
Rebudget: Park and Recreation Bond			\$589,000		\$589,000			\$589,000
Rebudget: Police Administration Building Chiller Replacement			(\$10,000)		(\$10,000)			(\$10,000)
Rebudget: Police Administration Seismic Retrofit			(\$22,000)		(\$22,000)			(\$22,000)
Rebudget: Renovate Irrigation-Paul Moore Park			(\$38,000)		(\$38,000)			(\$38,000)
Rebudget: Reserve Apparatus Equipment			\$7,000		\$7,000			\$7,000
Rebudget: River Street Historic District			(\$7,000)		(\$7,000)			(\$7,000)
Rebudget: Santa Teresa MIL: Cottle to Springer			(\$192,000)		(\$192,000)			(\$192,000)
Rebudget: Santa Teresa MIL: Lean to Snell			(\$223,000)		(\$223,000)			(\$223,000)

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	
<b>CAPITAL</b>							
Rebudget: Santa Teresa MIL: Oakridge			\$250,000		\$250,000		\$250,000
Rebudget: Santa Teresa MIL: Snell to Blossom Hill			(\$179,000)		(\$179,000)		(\$179,000)
Rebudget: Santa Teresa MIL: Springer to Lean			(\$171,000)		(\$171,000)		(\$171,000)
Rebudget: Seven Trees Neighborhood Improvements			\$80,000		\$80,000		\$80,000
Rebudget: South Central Swim Center			(\$50,000)		(\$50,000)		(\$50,000)
Rebudget: Southside Community Center Equip. Replacement			(\$8,000)		(\$8,000)		(\$8,000)
Rebudget: Southside Community Center Renovation			(\$1,000)		(\$1,000)		(\$1,000)
Rebudget: Street Lighting - Mayor's Message			\$24,000		\$24,000		\$24,000
Rebudget: Street Lighting at Schools			\$6,000		\$6,000		\$6,000
Rebudget: Streetlight Backlog			\$14,000		\$14,000		\$14,000
Rebudget: Training Trucks/Engines			\$1,147,000		\$1,147,000		\$1,147,000
Rebudget: Turf Renovations			(\$39,000)		(\$39,000)		(\$39,000)
Rebudget: Watson Dog Park			\$2,000		\$2,000		\$2,000
Rebudget: West Valley Replacement			\$10,000		\$10,000		\$10,000
Rebudget: White Rd: Penitencia to McKee - Eng. Acceleration			\$93,000		\$93,000		\$93,000
Rebudget: Williams Road Sidewalk Installation			(\$11,000)		(\$11,000)		(\$11,000)
Rebudget: Willow Glen Pedestrian Street Lighting			\$6,000		\$6,000		\$6,000
<b>CAPITAL</b>			<b>\$3,483,000</b>		<b>\$3,483,000</b>	<b>\$0</b>	<b>\$3,483,000</b>
<b>CITY-WIDE</b>							
Fund Balance Reconciliation					\$0	\$28,476,408	(\$28,476,408)
Rebudget: Animal Care & Services Program			(\$54,627)		(\$54,627)		(\$54,627)
Rebudget: Annual Audit			\$249,997		\$249,997		\$249,997
Rebudget: Anti-Drug Abuse Grant			\$5,374		\$5,374	\$5,374	\$0
Rebudget: Arena Community Fund			\$38,520		\$38,520		\$38,520
Rebudget: Automated Information System			(\$59,504)		(\$59,504)		(\$59,504)

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CITY-WIDE</b>								
Rebudget: Cafeteria Maintenance & Equip.			(\$3,901)		(\$3,901)			(\$3,901)
Rebudget: California Law Equip. Program			\$18,101		\$18,101			\$18,101
Rebudget: City Outreach & Education			\$42,022		\$42,022			\$42,022
Rebudget: City Security Measures			\$11,325		\$11,325			\$11,325
Rebudget: Communications Hill			\$6,272		\$6,272			\$6,272
Rebudget: Comp & Classification Project			(\$3,826)		(\$3,826)			(\$3,826)
Rebudget: Computer System Master Plan			(\$1,650)		(\$1,650)			(\$1,650)
Rebudget: Community Action & Pride Grants			(\$240,360)		(\$240,360)			(\$240,360)
Rebudget: Davis School Track			(\$30,000)		(\$30,000)			(\$30,000)
Rebudget: Digital Divide			(\$34,303)		(\$34,303)			(\$34,303)
Rebudget: Domestic Violence-Free Zone Signage			(\$239)		(\$239)			(\$239)
Rebudget: ESUHSD Safe/Healthy Students			(\$298,450)		(\$298,450)	(\$298,450)		\$0
Rebudget: Energy Efficiency Projects			\$313		\$313			\$313
Rebudget: Energy Usage			\$685,397		\$685,397			\$685,397
Rebudget: Excellence in Education Awards			\$10,000		\$10,000			\$10,000
Rebudget: Female Gang Intervention Prgm.			\$1,000		\$1,000			\$1,000
Rebudget: Future Teachers Program			\$32,124		\$32,124			\$32,124
Rebudget: General Liability Claims			\$4,726,416		\$4,726,416			\$4,726,416
Rebudget: Geographic Information System			\$115,275		\$115,275			\$115,275
Rebudget: Gleason Ave Streetscape			(\$20,247)		(\$20,247)			(\$20,247)
Rebudget: Hoffman Via Monte N'hood Youth Ctr.			\$300,000		\$300,000			\$300,000
Rebudget: Homework Centers			(\$82,273)		(\$82,273)			(\$82,273)
Rebudget: Innovation & Technology			\$40,000		\$40,000			\$40,000
Rebudget: Innovative Branch Svc. Model			\$75,000		\$75,000			\$75,000
Rebudget: Investing in Results			(\$3,613)		(\$3,613)			(\$3,613)

**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CITY-WIDE</b>								
Rebudget: Lincoln High School Impvts.			(\$50,000)		(\$50,000)			(\$50,000)
Rebudget: Litter Campaign			\$70,853		\$70,853			\$70,853
Rebudget: Low Income Energy Assistance			\$500,000		\$500,000			\$500,000
Rebudget: Major Space Renovations			(\$110,878)		(\$110,878)			(\$110,878)
Rebudget: Management Training			\$80,528		\$80,528			\$80,528
Rebudget: Metro Medical Strike Team			\$78,615		\$78,615	\$78,615		\$0
Rebudget: Neighborhood Revitalization Strategy			(\$103,108)		(\$103,108)			(\$103,108)
Rebudget: Networking of Remote Sites			(\$52,467)		(\$52,467)			(\$52,467)
Rebudget: Packard Smart Start Centers			\$927,302		\$927,302	\$400,000		\$527,302
Rebudget: Payroll Project			(\$74,484)		(\$74,484)			(\$74,484)
Rebudget: Rental Dispute Pub Ed & Outreach			(\$4,425)		(\$4,425)			(\$4,425)
Rebudget: SJ BEST Safe School Init.			\$49,454		\$49,454	\$49,454		\$0
Rebudget: SJ Prepared!			(\$24,644)		(\$24,644)			(\$24,644)
Rebudget: Sakamoto School			(\$23,000)		(\$23,000)			(\$23,000)
Rebudget: San Jose Permits On-Line			(\$8,580)		(\$8,580)			(\$8,580)
Rebudget: Smart Start/Neighborhood Ctrs.			\$915,231		\$915,231			\$915,231
Rebudget: Sr Staff Home Loans			\$500,000		\$500,000			\$500,000
Rebudget: Trail Signage & Montgomery Hill Pk.			(\$1,017)		(\$1,017)			(\$1,017)
Rebudget: Vietnamese Gardens			\$250,000		\$250,000			\$250,000
Rebudget: Washington Weed & Seed			(\$13,721)		(\$13,721)	(\$13,721)		\$0
Revenue: Decrease Disposal Facility Tax					\$0	(\$549,053)		\$549,053
Revenue: Decrease Public Library Funds					\$0	(\$277,276)		\$277,276
Revenue: Decrease SB 90					\$0	(\$750,000)		\$750,000
Revenue: Decrease Sales Tax					\$0	(\$11,296,423)		\$11,296,423
Revenue: Decrease Transient Occupancy Tax					\$0	(\$762,397)		\$762,397



**General Fund  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CITY-WIDE</b>								
Revenue: Decrease Utility Tax					\$0	(\$2,570,611)		\$2,570,611
Revenue: Increase Franchise Fee					\$0	\$210,658		(\$210,658)
Revenue: Increase Transfers & Reimbs (Airport-related Tech Adj)					\$0	\$29,079		(\$29,079)
Revenue: Sale of Surplus Property					\$0	\$13,259,000		(\$13,259,000)
Tech Adj: Solid Waste Enforce. Fee fm Other Rev to Deptl Chrgs					\$0	(\$2,192,272)		\$2,192,272
Tech Adj: Solid Waste Enforce. Fee fm Other Rev to Deptl Chrgs					\$0	\$2,192,272		(\$2,192,272)
<b>CITY-WIDE</b>				<b>\$8,429,802</b>	<b>\$8,429,802</b>	<b>(\$2,485,751)</b>	<b>\$28,476,408</b>	<b>(\$17,560,855)</b>
<b>Total General Fund Actions</b>	<b>\$221,557</b>	<b>\$153,105</b>	<b>\$12,928,145</b>		<b>\$13,302,807</b>	<b>(\$2,095,245)</b>	<b>\$28,476,408</b>	<b>(\$13,078,356)</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CASH RESERVE FUND</b>								
<b>FINANCE</b>								
Fund Balance Reconciliation				(\$31)	(\$31)		(\$31)	\$0
<b>Total for Fund 002</b>				<b>(\$31)</b>	<b>(\$31)</b>	<b>\$0</b>	<b>(\$31)</b>	<b>\$0</b>
<b>FIBER OPTICS DEVELOPMENT FD (007)</b>								
<b>CAPITAL</b>								
Fund Balance Reconciliation				\$29,174	\$29,174		\$29,174	\$0
<b>Total for Fund 007</b>				<b>\$29,174</b>	<b>\$29,174</b>	<b>\$0</b>	<b>\$29,174</b>	<b>\$0</b>
<b>E PRUSCH MEM PK IMPR FD (131)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$33,984	\$33,984		\$33,984	\$0
<b>Total for Fund 131</b>				<b>\$33,984</b>	<b>\$33,984</b>	<b>\$0</b>	<b>\$33,984</b>	<b>\$0</b>
<b>MUNICIPAL HEALTH SERV PRG (132)</b>								
<b>PRNS</b>								
Fund Balance Reconciliation				\$788,999	\$788,999		\$788,999	\$0
<b>Total for Fund 132</b>				<b>\$788,999</b>	<b>\$788,999</b>	<b>\$0</b>	<b>\$788,999</b>	<b>\$0</b>
<b>GIFT TRUST FUND (139)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>GIFT TRUST FUND (139)</b>								
<b>CITY MANAGER</b>								
Rebudget: Berryessa Center Art Project			(\$9,200)	\$9,200	\$0			\$0
<b>FINANCE</b>								
Fund Balance Reconciliation				\$2,336	\$2,336		\$2,336	\$0
Rebudget: Employee Recognition			\$400	(\$400)	\$0			\$0
<b>POLICE</b>								
Rebudget: Child Safety Seats			(\$1,199)	\$1,199	\$0			\$0
Rebudget: Children's Interview Center			(\$700)	\$700	\$0			\$0
Rebudget: Kinjo Gardens			(\$50)	\$50	\$0			\$0
Rebudget: Major Awards Banquet			(\$4,200)	\$4,200	\$0			\$0
Rebudget: Police Mounted Unit			\$3,350	(\$3,350)	\$0			\$0
Rebudget: Police and School Partnership			\$4,300	(\$4,300)	\$0			\$0
Rebudget: School Safety Gifts			\$3,200	(\$3,200)	\$0			\$0
<b>FIRE</b>								
Rebudget: Hazardous Material Training			\$2,300	(\$2,300)	\$0			\$0
Rebudget: Public Education Program			\$66,000	(\$66,000)	\$0			\$0
<b>PRNS</b>								
Rebudget: Almaden Lake Park			(\$245)	\$245	\$0			\$0
Rebudget: Alum Rock Park			\$430	(\$430)	\$0			\$0
Rebudget: Animal Adoption			\$4,504	(\$4,504)	\$0			\$0
Rebudget: Child Care Endowment			(\$1,100)	\$1,100	\$0			\$0
Rebudget: Gullo Park Turf Irrigation			(\$1,250)	\$1,250	\$0			\$0
Rebudget: Happy Hollow Park and Zoo Improvements			(\$9,100)	\$9,100	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

140

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>GIFT TRUST FUND (139)</b>								
<b>PRNS</b>								
Rebudget: Hershey Youth Track			\$6,000	(\$6,000)	\$0			\$0
Rebudget: Japanese Friendship Garden			(\$140)	\$140	\$0			\$0
Rebudget: Mayor's Aging Conference			(\$10,300)	\$10,300	\$0			\$0
Rebudget: McClaren Circes Design of History			(\$600)	\$600	\$0			\$0
Rebudget: Mise and Starbird Gift			(\$1,100)	\$1,100	\$0			\$0
Rebudget: Nicolas Prusch Swimming Pool			(\$5,800)	\$5,800	\$0			\$0
Rebudget: San Jose Beautiful Program			\$130	(\$130)	\$0			\$0
Rebudget: Senior Companion			(\$1,100)	\$1,100	\$0			\$0
Rebudget: Senior Games - San Jose			\$8,000	(\$8,000)	\$0			\$0
Rebudget: Zoo Educator Grant			(\$240)	\$240	\$0			\$0
<b>CAE SVCS</b>								
Rebudget: Incubation Office Project			\$8,600	(\$8,600)	\$0			\$0
Rebudget: Miscellaneous Gifts			(\$5,000)	\$5,000	\$0			\$0
<b>LIBRARY</b>								
Rebudget: Biblioteca Gifts			(\$11,200)	\$11,200	\$0			\$0
Rebudget: Rotary Club			\$1,000	(\$1,000)	\$0			\$0
Rebudget: SJPL Foundation			\$3,582	(\$3,582)	\$0			\$0
Rebudget: Young Adult Summer Reading			(\$15,500)	\$15,500	\$0			\$0
Rebudget: Youth Services			(\$1,550)	\$1,550	\$0			\$0
<b>Total for Fund 139</b>			<b>\$32,222</b>	<b>(\$29,886)</b>	<b>\$2,336</b>	<b>\$0</b>	<b>\$2,336</b>	<b>\$0</b>

**DENTAL BENEFIT FUND (155)**

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>DENTAL BENEFIT FUND (155)</b>								
<b>EMPLOYEE SERVICES</b>								
Fund Balance Reconciliation				\$72,013	\$72,013		\$72,013	\$0
<b>Total for Fund 155</b>				<b>\$72,013</b>	<b>\$72,013</b>	<b>\$0</b>	<b>\$72,013</b>	<b>\$0</b>
<b>LIFE INSURANCE TRUST FD (156)</b>								
<b>EMPLOYEE SERVICES</b>								
Fund Balance Reconciliation				\$4,910	\$4,910		\$4,910	\$0
<b>Total for Fund 156</b>				<b>\$4,910</b>	<b>\$4,910</b>	<b>\$0</b>	<b>\$4,910</b>	<b>\$0</b>
<b>UNEMPLOYMENT INSUR FD (157)</b>								
<b>EMPLOYEE SERVICES</b>								
Fund Balance Reconciliation				\$3,855	\$3,855		\$3,855	\$0
<b>Total for Fund 157</b>				<b>\$3,855</b>	<b>\$3,855</b>	<b>\$0</b>	<b>\$3,855</b>	<b>\$0</b>
<b>EMPLOYEE BENEFITS FD (160)</b>								
<b>EMPLOYEE SERVICES</b>								
Fund Balance Reconciliation				(\$121,489)	(\$121,489)		(\$121,489)	\$0
<b>Total for Fund 160</b>				<b>(\$121,489)</b>	<b>(\$121,489)</b>	<b>\$0</b>	<b>(\$121,489)</b>	<b>\$0</b>
<b>WORKFORCE INVESTMENT ACT (290)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>WORKFORCE INVESTMENT ACT (290)</b>								
<b>ECONOMIC DEVELOPMENT</b>								
Fund Balance Reconciliation				(\$4,955,841)	(\$4,955,841)		(\$4,955,841)	\$0
Rebudget: Grant Revenue				\$4,995,841	\$4,995,841	\$4,995,841		\$0
Rebudget: Workforce Investment Act-SALT			\$1,500		\$1,500	\$1,500		\$0
<b>Total for Fund 290</b>			<b>\$1,500</b>	<b>\$40,000</b>	<b>\$41,500</b>	<b>\$4,997,341</b>	<b>(\$4,955,841)</b>	<b>\$0</b>
<b>BUSINESS IMPVT DIST FD (351)</b>								
<b>ECONOMIC DEVELOPMENT</b>								
Fund Balance Reconciliation				\$1,426	\$1,426		\$1,426	\$0
<b>Total for Fund 351</b>				<b>\$1,426</b>	<b>\$1,426</b>	<b>\$0</b>	<b>\$1,426</b>	<b>\$0</b>
<b>M.D. #1 LOS PASEOS (352)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$3,712)	(\$3,712)		(\$3,712)	\$0
<b>Total for Fund 352</b>				<b>(\$3,712)</b>	<b>(\$3,712)</b>	<b>\$0</b>	<b>(\$3,712)</b>	<b>\$0</b>
<b>M.D.#2 ZONE B (354)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$17,017)	(\$17,017)		(\$17,017)	\$0
<b>Total for Fund 354</b>				<b>(\$17,017)</b>	<b>(\$17,017)</b>	<b>\$0</b>	<b>(\$17,017)</b>	<b>\$0</b>
<b>M.D. #4 GATEWAY (356)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>M.D. #4 GATEWAY (356)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$12,133	\$12,133		\$12,133	\$0
<b>Total for Fund 356</b>				<b>\$12,133</b>	<b>\$12,133</b>	<b>\$0</b>	<b>\$12,133</b>	<b>\$0</b>
<b>M.D. #5A ORCH PKWY/1ST/PLUM (357)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$46,120	\$46,120		\$46,120	\$0
<b>Total for Fund 357</b>				<b>\$46,120</b>	<b>\$46,120</b>	<b>\$0</b>	<b>\$46,120</b>	<b>\$0</b>
<b>M.D. #5B ORCH PKWY/PLUM/TRI (358)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$15,940)	(\$15,940)		(\$15,940)	\$0
<b>Total for Fund 358</b>				<b>(\$15,940)</b>	<b>(\$15,940)</b>	<b>\$0</b>	<b>(\$15,940)</b>	<b>\$0</b>
<b>M.D. #6 RIVER OAKS (359)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$35,042	\$35,042		\$35,042	\$0
<b>Total for Fund 359</b>				<b>\$35,042</b>	<b>\$35,042</b>	<b>\$0</b>	<b>\$35,042</b>	<b>\$0</b>
<b>M.D. #8 ZANKER-MONTAGUE (361)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>M.D. #8 ZANKER-MONTAGUE (361)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$8,933	\$8,933		\$8,933	\$0
<b>Total for Fund 361</b>				<b>\$8,933</b>	<b>\$8,933</b>	<b>\$0</b>	<b>\$8,933</b>	<b>\$0</b>
<b>M.D. #9 STA TERESA/GRT OAKS (362)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$28,251	\$28,251		\$28,251	\$0
<b>Total for Fund 362</b>				<b>\$28,251</b>	<b>\$28,251</b>	<b>\$0</b>	<b>\$28,251</b>	<b>\$0</b>
<b>M.D. #10 OAKMD STRM PUMP STN (363)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$58,334	\$58,334		\$58,334	\$0
<b>Total for Fund 363</b>				<b>\$58,334</b>	<b>\$58,334</b>	<b>\$0</b>	<b>\$58,334</b>	<b>\$0</b>
<b>M.D. #11 BROKAW RD/JUNCT-OAKL (364)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$8,324	\$8,324		\$8,324	\$0
<b>Total for Fund 364</b>				<b>\$8,324</b>	<b>\$8,324</b>	<b>\$0</b>	<b>\$8,324</b>	<b>\$0</b>
<b>M.D. #12 N 1ST-TASMAN DR (365)</b>								



**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>M.D. #12 N 1ST-TASMAN DR (365)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$10,469	\$10,469		\$10,469	\$0
<b>Total for Fund 365</b>				<b>\$10,469</b>	<b>\$10,469</b>	<b>\$0</b>	<b>\$10,469</b>	<b>\$0</b>
<b>M.D. #13 KARINA CT-O'NEAL DR (366)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$369)	(\$369)		(\$369)	\$0
<b>Total for Fund 366</b>				<b>(\$369)</b>	<b>(\$369)</b>	<b>\$0</b>	<b>(\$369)</b>	<b>\$0</b>
<b>M.D. #14 HELLYER-FONT RD (367)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$64,902	\$64,902		\$64,902	\$0
<b>Total for Fund 367</b>				<b>\$64,902</b>	<b>\$64,902</b>	<b>\$0</b>	<b>\$64,902</b>	<b>\$0</b>
<b>M.D. #15 SILVER CREEK (368)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$107,883	\$107,883		\$107,883	\$0
<b>Total for Fund 368</b>				<b>\$107,883</b>	<b>\$107,883</b>	<b>\$0</b>	<b>\$107,883</b>	<b>\$0</b>
<b>M.D. #16 ABORN-MURILLO (369)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>M.D. #16 ABORN-MURILLO (369)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$108,691)	(\$108,691)		(\$108,691)	\$0
<b>Total for Fund 369</b>				<b>(\$108,691)</b>	<b>(\$108,691)</b>	<b>\$0</b>	<b>(\$108,691)</b>	<b>\$0</b>
<b>COMMTY FACIL DIST #1 (371)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				\$34,685	\$34,685		\$34,685	\$0
<b>Total for Fund 371</b>				<b>\$34,685</b>	<b>\$34,685</b>	<b>\$0</b>	<b>\$34,685</b>	<b>\$0</b>
<b>MAINTENANCE DISTRICT #18 (372)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$5,238)	(\$5,238)		(\$5,238)	\$0
<b>Total for Fund 372</b>				<b>(\$5,238)</b>	<b>(\$5,238)</b>	<b>\$0</b>	<b>(\$5,238)</b>	<b>\$0</b>
<b>SUBDIVISION PARK TRUST FD (375)</b>								
<b>Parks/Commtty Fac Capital Pgm</b>								
Fund Balance Reconciliation - Reserve: Future PDO/PIFO Projects				\$35,921	\$35,921		\$35,921	\$0
Rebudget: Almaden Winery Center Conversion				(\$192,000)	(\$192,000)			(\$192,000)
Rebudget: Alviso Youth Center				(\$225,000)	(\$225,000)			(\$225,000)
Rebudget: Backesto Park Renovation				\$17,000	\$17,000			\$17,000
Rebudget: Basking Ridge Tot Lot Development				(\$2,000)	(\$2,000)			(\$2,000)
Rebudget: Boggini Park Restroom				(\$80,000)	(\$80,000)			(\$80,000)

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>SUBDIVISION PARK TRUST FD (375)</b>								
<b>Parks/Commtty Fac Capital Pgm</b>								
Rebudget: Cahalan Park Renovation			\$101,000		\$101,000			\$101,000
Rebudget: District 1 Sports Fields			\$297,000		\$297,000			\$297,000
Rebudget: District 4 Parksite Acquisition			\$286,000		\$286,000			\$286,000
Rebudget: Evergreen Community Center Expansion			(\$4,000)		(\$4,000)			(\$4,000)
Rebudget: Hillstone Park Site Master Plan			\$1,000		\$1,000			\$1,000
Rebudget: Mabury Park Development			\$1,000		\$1,000			\$1,000
Rebudget: Meadowfair Park Phase II Development			\$1,000		\$1,000			\$1,000
Rebudget: Montgomery Hill Park Bridge			(\$1,000)		(\$1,000)			(\$1,000)
Rebudget: Parkview II Park Renovation			\$1,000		\$1,000			\$1,000
Rebudget: Parkview III Park Renovation			(\$2,000)		(\$2,000)			(\$2,000)
Rebudget: Scenic Meadow Park Development			(\$58,000)		(\$58,000)			(\$58,000)
Rebudget: Sixth and William Parksite Development			(\$5,000)		(\$5,000)			(\$5,000)
Rebudget: South Central Swim Center			(\$55,000)		(\$55,000)			(\$55,000)
Rebudget: Tully Road Sports Field			(\$34,000)		(\$34,000)			(\$34,000)
Rebudget: Waterford Park Renovation			(\$5,000)		(\$5,000)			(\$5,000)
Reserve: Future PDO/PIFO Projects			(\$42,000)		(\$42,000)			(\$42,000)
<b>Total for Fund 375</b>			<b>\$35,921</b>		<b>\$35,921</b>	<b>\$0</b>	<b>\$35,921</b>	<b>\$0</b>

**CONST/CONV TX FD PKS CD1(377)**

<b>Parks/Commtty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$276,904	\$276,904		\$276,904	\$0
Rebudget: Earned Revenue				\$350,000	\$350,000	\$350,000		\$0
Rebudget: Misc/Saratoga Creek Security Lighting			(\$59,000)	\$59,000	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TX FD PKS CD1(377)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Rebudget: San Tomas Aquino/Saratoga Creek Trail			(\$1,000)	\$1,000	\$0			\$0
Rebudget: School Improvement Grant			\$150,000	(\$150,000)	\$0			\$0
<b>Total for Fund 377</b>			<b>\$90,000</b>	<b>\$536,904</b>	<b>\$626,904</b>	<b>\$350,000</b>	<b>\$276,904</b>	<b>\$0</b>
<b>CONST/CONV TX FD PKS CD2 (378)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				(\$122,373)	(\$122,373)		(\$122,373)	\$0
Rebudget: Coyote-Alamitos Canal Master Plan			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Earned Revenue				\$400,000	\$400,000	\$400,000		\$0
Rebudget: Great Oaks Park Renovation			\$26,000	(\$26,000)	\$0			\$0
Rebudget: Southside Center Phase II Renovation			\$3,000	(\$3,000)	\$0			\$0
<b>Total for Fund 378</b>			<b>\$28,000</b>	<b>\$249,627</b>	<b>\$277,627</b>	<b>\$400,000</b>	<b>(\$122,373)</b>	<b>\$0</b>
<b>CONST/CONV TAX FD PARKS CD3 (380)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$346,832	\$346,832		\$346,832	\$0
Rebudget: 6th & William Parksite Acq. & Dev			(\$15,000)	\$15,000	\$0			\$0
Rebudget: Columbus Park Irrigation Renovation			\$19,000	(\$19,000)	\$0			\$0
<b>Total for Fund 380</b>			<b>\$4,000</b>	<b>\$342,832</b>	<b>\$346,832</b>	<b>\$0</b>	<b>\$346,832</b>	<b>\$0</b>
<b>CONST/CONV TX FD PKS CD4 (381)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TX FD PKS CD4 (381)</b>								
<b>Parks/Commy Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$350,169	\$350,169		\$350,169	\$0
Rebudget: Alviso Park Expansion			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Alviso Park Expansion Public Art			(\$14,000)	\$14,000	\$0			\$0
Rebudget: Brooktree Park Tot Lot			(\$72,000)	\$72,000	\$0			\$0
Rebudget: Community Garden			\$33,000	(\$33,000)	\$0			\$0
Rebudget: Council District 4 Public Art			\$4,000	(\$4,000)	\$0			\$0
Rebudget: Mabury Park Development			\$1,000	(\$1,000)	\$0			\$0
Rebudget: Mabury Park Development Public Art			(\$45,000)	\$45,000	\$0			\$0
Rebudget: Penitencia Creek Park Chain			\$4,000	(\$4,000)	\$0			\$0
Rebudget: River Oaks/Coyote Creek Trail			\$2,000	(\$2,000)	\$0			\$0
Rebudget: School Improvement Grant			\$25,000	(\$25,000)	\$0			\$0
<b>Total for Fund 381</b>			<b>(\$59,000)</b>	<b>\$409,169</b>	<b>\$350,169</b>	<b>\$0</b>	<b>\$350,169</b>	<b>\$0</b>
<b>CONST/CONV TAX FD PARKS CD5 (382)</b>								
<b>Parks/Commy Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$627,813	\$627,813		\$627,813	\$0
Rebudget: Mayfair Center/Park MP			\$15,000	(\$15,000)	\$0			\$0
Rebudget: Mayfair Park Renovation			(\$4,000)	\$4,000	\$0			\$0
Rebudget: Parque de la Amistad Renovation			(\$23,000)	\$23,000	\$0			\$0
Rebudget: Pool Repairs			(\$3,000)	\$3,000	\$0			\$0
<b>Total for Fund 382</b>			<b>(\$15,000)</b>	<b>\$642,813</b>	<b>\$627,813</b>	<b>\$0</b>	<b>\$627,813</b>	<b>\$0</b>
<b>CONST/CONV TX FD PKS CD6 (384)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TX FD PKS CD6 (384)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$363,896	\$363,896		\$363,896	\$0
Rebudget: Buena Vista Park			(\$2,000)	\$2,000	\$0			\$0
Rebudget: Cahill West Park Improvements			\$25,000	(\$25,000)	\$0			\$0
Rebudget: Los Gatos Creek - Lonus Extension			(\$5,000)	\$5,000	\$0			\$0
Rebudget: Los Gatos Creek Volunteers			\$20,000	(\$20,000)	\$0			\$0
Rebudget: Los Gatos Creek/Gregory Street Bridge			(\$9,000)	\$9,000	\$0			\$0
Rebudget: O' Connor Park Development			(\$1,000)	\$1,000	\$0			\$0
Rebudget: School Grants/Sports Field Development			\$50,000	(\$50,000)	\$0			\$0
<b>Total for Fund 384</b>			<b>\$78,000</b>	<b>\$285,896</b>	<b>\$363,896</b>	<b>\$0</b>	<b>\$363,896</b>	<b>\$0</b>
<b>CONST/CONV TX FD PKS CD7 (385)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$1,507,509	\$1,507,509		\$1,507,509	\$0
Rebudget: La Ragione Community Garden			(\$2,000)	\$2,000	\$0			\$0
Rebudget: Lone Bluff Mini Park Development			\$63,000	(\$63,000)	\$0			\$0
Rebudget: Minor Building Renovations			(\$10,000)	\$10,000	\$0			\$0
Rebudget: South Central Swim Center			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Stonegate Park Skateboard			(\$9,000)	\$9,000	\$0			\$0
Rebudget: Tully Road Sports Field Development			\$1,190,000	(\$1,190,000)	\$0			\$0
Rebudget: Turtle Rock Park Play Area			(\$112,000)	\$112,000	\$0			\$0
<b>Total for Fund 385</b>			<b>\$1,123,000</b>	<b>\$384,509</b>	<b>\$1,507,509</b>	<b>\$0</b>	<b>\$1,507,509</b>	<b>\$0</b>
<b>CONST/CONV TAX FD PARKS CD8 (386)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX FD PARKS CD8 (386)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$39,362	\$39,362		\$39,362	\$0
Rebudget: Boggini Park Restroom				(\$114,000)	\$114,000	\$0		\$0
Rebudget: Boggini Park Tot Lot				(\$107,000)	\$107,000	\$0		\$0
Rebudget: Brigadoon Park Tot Lot				\$45,000	(\$45,000)	\$0		\$0
Rebudget: Council District 8 Public Art				\$11,000	(\$11,000)	\$0		\$0
Rebudget: Evergreen Center Expansion				(\$4,000)	\$4,000	\$0		\$0
Rebudget: Evergreen Park Irrigation Renovation				\$5,000	(\$5,000)	\$0		\$0
Rebudget: Fowler Creek Master Plan				(\$7,000)	\$7,000	\$0		\$0
Rebudget: Meadowfair Center Hardcourt Repair				\$1,000	(\$1,000)	\$0		\$0
Rebudget: Montgomery Hill Park Bridge				\$2,000	(\$2,000)	\$0		\$0
Rebudget: Preliminary Studies				(\$14,000)	\$14,000	\$0		\$0
Rebudget: Ramblewood Park Improvements				(\$26,000)	\$26,000	\$0		\$0
<b>Total for Fund 386</b>				<b>(\$208,000)</b>	<b>\$247,362</b>	<b>\$39,362</b>	<b>\$0</b>	<b>\$39,362</b>

**CONST/CONV TAX FD PARKS CD9 (388)**

<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				(\$1,462,507)	(\$1,462,507)		(\$1,462,507)	\$0
Rebudget: Preliminary Studies				(\$1,000)	\$1,000	\$0		\$0
Rebudget: Camden Center Expansion/Renovation				(\$4,000)	\$4,000	\$0		\$0
Rebudget: Camden Center Gym Enhancement				(\$1,000)	\$1,000	\$0		\$0
Rebudget: Camden Center Parking Expansion				(\$41,000)	\$41,000	\$0		\$0
Rebudget: Earned Revenue					\$1,505,000	\$1,505,000	\$1,505,000	\$0
Rebudget: Huerta Park Tot Lot				\$18,000	(\$18,000)	\$0		\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX FD PARKS CD9 (388)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Rebudget: Kirk Center Play Lot Renovation			\$5,000	(\$5,000)	\$0			\$0
Rebudget: Parks and Recreation Bonds			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Pool Repairs			(\$3,000)	\$3,000	\$0			\$0
<b>Total for Fund 388</b>			<b>(\$24,000)</b>	<b>\$66,493</b>	<b>\$42,493</b>	<b>\$1,505,000</b>	<b>(\$1,462,507)</b>	<b>\$0</b>
<b>CONST/CONV TX FD PKS CD10 (389)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$328,997	\$328,997		\$328,997	\$0
Rebudget: Almaden Winery Center Conversion			(\$203,000)	\$203,000	\$0			\$0
Rebudget: Almaden Winery Historical			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Almaden Winery Park Enhancements			(\$14,000)	\$14,000	\$0			\$0
Rebudget: Customer Response Projects			\$16,000	(\$16,000)	\$0			\$0
Rebudget: Meadows Park Renovations			\$1,000	(\$1,000)	\$0			\$0
Rebudget: Parks and Recreation Bonds			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Vista Park Phase 2 Development			(\$7,000)	\$7,000	\$0			\$0
<b>Total for Fund 389</b>			<b>(\$205,000)</b>	<b>\$533,997</b>	<b>\$328,997</b>	<b>\$0</b>	<b>\$328,997</b>	<b>\$0</b>
<b>CONST/CONV TAX-CENTRAL FD (390)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$545,830	\$545,830		\$545,830	\$0
Rebudget: Park & Comm Fac Dev Office			(\$188,000)	\$188,000	\$0			\$0
Rebudget: Park Hardware			(\$54,000)	\$54,000	\$0			\$0
Rebudget: Relocation Costs			(\$21,000)	\$21,000	\$0			\$0



**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX-CENTRAL FD (390)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Rebudget: Trees and Shrubs			\$5,000	(\$5,000)	\$0			\$0
<b>Total for Fund 390</b>			<b>(\$258,000)</b>	<b>\$803,830</b>	<b>\$545,830</b>	<b>\$0</b>	<b>\$545,830</b>	<b>\$0</b>
<b>CONST/CONV TAX PARKS (391)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$1,017,329	\$1,017,329		\$1,017,329	\$0
Rebudget: Almaden Lake Changing Room			(\$94,000)	\$94,000	\$0			\$0
Rebudget: Almaden Lake Park Circulation Pumps			\$73,000	(\$73,000)	\$0			\$0
Rebudget: Alum Rock Park Flood Damage (1998)			(\$3,000)	\$3,000	\$0			\$0
Rebudget: Alum Rock Park Penitencia Creek Entrance			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Alum Rock Park Water Line Relocation			(\$2,000)	\$2,000	\$0			\$0
Rebudget: Alum Rock Park/Quail Hollow Bridge			(\$1,000)	\$1,000	\$0			\$0
Rebudget: City-Wide Facilities Infrastructure Renovations/Regional			\$14,000	(\$14,000)	\$0			\$0
Rebudget: Creek/Undeveloped Acreage Cleanup/Repair			(\$18,000)	\$18,000	\$0			\$0
Rebudget: Family Camp Restroom Replacement			\$6,000	(\$6,000)	\$0			\$0
Rebudget: Guad. River Park Contracts I & II Redesign			\$244,000	(\$244,000)	\$0			\$0
Rebudget: Guad. River Park Sister City Seating			\$7,000	(\$7,000)	\$0			\$0
Rebudget: Guadalupe Creek/Los Alamitos Creek Trail			(\$98,000)	\$98,000	\$0			\$0
Rebudget: Guadalupe River Park Trail			(\$47,000)	\$47,000	\$0			\$0
Rebudget: Guadalupe River South Reach 13			(\$14,000)	\$14,000	\$0			\$0
Rebudget: Happy Hollow Minor Improvements			(\$16,000)	\$16,000	\$0			\$0
Rebudget: Historic Homes Preservation			(\$4,000)	\$4,000	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX PARKS (391)</b>								
<b>Parks/Comnty Fac Capital Pgm</b>								
Rebudget: Kelley Park Maintenance Area Improvements			(\$10,000)	\$10,000	\$0			\$0
Rebudget: Lake Cunningham Ground Water Repair			\$2,000	(\$2,000)	\$0			\$0
Rebudget: Los Gatos Creek/Lonus Extension			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Overfelt Gardens Improvement			\$1,000	(\$1,000)	\$0			\$0
Rebudget: PAL Gymnasium			\$1,000	(\$1,000)	\$0			\$0
Rebudget: Parks and Recreation Bonds			(\$51,000)	\$51,000	\$0			\$0
Rebudget: Tuers-Capitol Golf Course			(\$234,000)	\$234,000	\$0			\$0
Rebudget: Vietnamese Cultural Heritage Garden			(\$4,000)	\$4,000	\$0			\$0
Rebudget: Volunteer Project Support			(\$78,000)	\$78,000	\$0			\$0
Rebudget: Weed Abatement - Coyote Creek			(\$2,000)	\$2,000	\$0			\$0
<b>Total for Fund 391</b>			<b>(\$326,000)</b>	<b>\$1,343,329</b>	<b>\$1,017,329</b>	<b>\$0</b>	<b>\$1,017,329</b>	<b>\$0</b>

**CONST/CONV TAX FIRE (392)**

<b>Fire Capital Program</b>								
Fund Balance Reconciliation				\$1,378,420	\$1,378,420		\$1,378,420	\$0
Rebudget: Backflow Devices			\$69,000	(\$69,000)	\$0			\$0
Rebudget: Capital Project Management			\$19,000	(\$19,000)	\$0			\$0
Rebudget: Communications Hill Fire Station			\$21,000	(\$21,000)	\$0			\$0
Rebudget: Computer Replacement Program			\$21,000	(\$21,000)	\$0			\$0
Rebudget: Decontamination Sinks			\$17,000	(\$17,000)	\$0			\$0
Rebudget: Facilities Improvements			\$133,000	(\$133,000)	\$0			\$0
Rebudget: Fire Apparatus Lease Payment I			\$63,000	(\$63,000)	\$0			\$0
Rebudget: Fire Station 1 Closeout			\$34,000	(\$34,000)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONST/CONV TAX FIRE (392)</b>								
<b>Fire Capital Program</b>								
Rebudget: Fire Station 30 Rehabilitation			\$2,000	(\$2,000)	\$0			\$0
Rebudget: Fire Station 31 Furnishings and Equipment			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Fire Station Diesel Exhaust			\$118,000	(\$118,000)	\$0			\$0
Rebudget: Fire Station Privacy			\$102,000	(\$102,000)	\$0			\$0
Rebudget: Hand Held Radios			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Hose Replacement			\$9,000	(\$9,000)	\$0			\$0
Rebudget: Inventory Control System			(\$2,000)	\$2,000	\$0			\$0
Rebudget: Muster Team Apparatus Repair			\$4,000	(\$4,000)	\$0			\$0
Rebudget: Records Management System			(\$9,000)	\$9,000	\$0			\$0
Rebudget: Telecommunications Upgrade			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Tools and Equipment			\$41,000	(\$41,000)	\$0			\$0
Rebudget: Training Center Master Plan			\$7,000	(\$7,000)	\$0			\$0
Rebudget: Training Center Modular			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Training Center Shower Facility Lease Payments			\$8,000	(\$8,000)	\$0			\$0
Rebudget: Vehicle Replacement			\$65,000	(\$65,000)	\$0			\$0
<b>Total for Fund 392</b>			<b>\$722,000</b>	<b>\$656,420</b>	<b>\$1,378,420</b>	<b>\$0</b>	<b>\$1,378,420</b>	<b>\$0</b>

**CONSTR/CONV TX-LIBRARY (393)**

<b>Library Capital Program</b>								
Fund Balance Reconciliation				\$1,217,262	\$1,217,262		\$1,217,262	\$0
Rebudget: Automation Projects			(\$61,000)	\$61,000	\$0			\$0
Rebudget: Facilities Improvements			(\$39,000)	\$39,000	\$0			\$0
Rebudget: General Equipment and Furnishings			\$69,000	(\$69,000)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONSTR/CONV TX-LIBRARY (393)</b>								
<b>Library Capital Program</b>								
Rebudget: West Valley Branch Replacement			\$9,000	(\$9,000)	\$0			\$0
Rebudget: West Valley Public Art			(\$1,000)	\$1,000	\$0			\$0
<b>Total for Fund 393</b>			<b>(\$23,000)</b>	<b>\$1,240,262</b>	<b>\$1,217,262</b>	<b>\$0</b>	<b>\$1,217,262</b>	<b>\$0</b>
<b>CONST/CONV TX CW-SERVICE YDS (395)</b>								
<b>Service Yards Capital Program</b>								
Fund Balance Reconciliation				\$534,816	\$534,816		\$534,816	\$0
<b>Total for Fund 395</b>				<b>\$534,816</b>	<b>\$534,816</b>	<b>\$0</b>	<b>\$534,816</b>	<b>\$0</b>
<b>CONST/CONV TX CW COMM (397)</b>								
<b>Communications Capital Program</b>								
Fund Balance Reconciliation				\$365,438	\$365,438		\$365,438	\$0
Rebudget: Comms Equipment Replacement & Upgrade			\$96,000	(\$96,000)	\$0			\$0
Rebudget: Second Administrative Channel			\$5,000	(\$5,000)	\$0			\$0
<b>Total for Fund 397</b>			<b>\$101,000</b>	<b>\$264,438</b>	<b>\$365,438</b>	<b>\$0</b>	<b>\$365,438</b>	<b>\$0</b>
<b>CONST/CONV TX CW PKS MAINT (398)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$160,429	\$160,429		\$160,429	\$0
<b>Total for Fund 398</b>				<b>\$160,429</b>	<b>\$160,429</b>	<b>\$0</b>	<b>\$160,429</b>	<b>\$0</b>
<b>EMERGENCY RESERVE FUND (406)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>EMERGENCY RESERVE FUND (406)</b>								
<b>FINANCE</b>								
Fund Balance Reconciliation				\$3,428,468	\$3,428,468		\$3,428,468	\$0
<b>Total for Fund 406</b>				<b>\$3,428,468</b>	<b>\$3,428,468</b>	<b>\$0</b>	<b>\$3,428,468</b>	<b>\$0</b>
<b>LIBRARY BEN ASSESS FD (412)</b>								
<b>LIBRARY</b>								
Fund Balance Reconciliation				\$147,724	\$147,724		\$147,724	\$0
Rebudget: Non-Personal Services				\$75,000	(\$75,000)	\$0		\$0
Rebudget: Non-Personal Services				\$86,974	(\$86,974)	\$0		\$0
Rebudget: Personal Services				\$32,343	(\$32,343)	\$0		\$0
<b>Library Capital Program</b>								
Rebudget: Acquisition of Materials				(\$75,000)	\$75,000	\$0		\$0
Rebudget: Automation Projects				\$68,000	(\$68,000)	\$0		\$0
Rebudget: eBranch				\$30,000	(\$30,000)	\$0		\$0
<b>Total for Fund 412</b>				<b>\$217,317</b>	<b>(\$69,593)</b>	<b>\$147,724</b>	<b>\$0</b>	<b>\$147,724</b>
<b>STORM DRAINAGE FEE FD (413)</b>								
<b>Storm Sewer Capital Program</b>								
Fund Balance Reconciliation				\$506,548	\$506,548		\$506,548	\$0
Rebudget: Guadalupe River Park				\$11,000	(\$11,000)	\$0		\$0
Rebudget: Nightingale/Redbird				\$314,000	(\$314,000)	\$0		\$0
Rebudget: Redmond/Firefly				\$69,000	(\$69,000)	\$0		\$0
<b>Total for Fund 413</b>				<b>\$394,000</b>	<b>\$112,548</b>	<b>\$506,548</b>	<b>\$0</b>	<b>\$506,548</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>SUPPL LAW ENF SVCES (414)</b>								
<b>POLICE</b>								
Fund Balance Reconciliation				(\$915,947)	(\$915,947)		(\$5,677,982)	\$4,762,035
Rebudget: SLES 2001-2003			(\$31,113)		(\$31,113)			(\$31,113)
<b>Total for Fund 414</b>			<b>(\$31,113)</b>	<b>(\$915,947)</b>	<b>(\$947,060)</b>	<b>\$0</b>	<b>(\$5,677,982)</b>	<b>\$4,730,922</b>
<b>FEDERAL LLEBG PROG (415)</b>								
<b>POLICE</b>								
Fund Balance Reconciliation				\$37,346	\$37,346		\$184,939	(\$147,593)
Rebudget: 2000-2002 LLEBG			\$57,755		\$57,755			\$57,755
Rebudget: 2001-2002 LLEBG			\$89,838		\$89,838			\$89,838
<b>Total for Fund 415</b>			<b>\$147,593</b>	<b>\$37,346</b>	<b>\$184,939</b>	<b>\$0</b>	<b>\$184,939</b>	<b>\$0</b>
<b>UNDERGRND UTILITY FD (416)</b>								
<b>Devel Assisted Capital Program</b>								
Fund Balance Reconciliation				\$408,496	\$408,496		\$408,496	\$0
Rebudget: Underground Utility Administration			(\$5,000)	\$5,000	\$0			\$0
Rebudget: Underground Utility Program			\$209,398	(\$209,398)	\$0			\$0
<b>Total for Fund 416</b>			<b>\$204,398</b>	<b>\$204,098</b>	<b>\$408,496</b>	<b>\$0</b>	<b>\$408,496</b>	<b>\$0</b>
<b>STATE DRUG FORF FD (417)</b>								
<b>POLICE</b>								
Fund Balance Reconciliation				\$91,271	\$91,271		\$91,271	\$0
<b>Total for Fund 417</b>				<b>\$91,271</b>	<b>\$91,271</b>	<b>\$0</b>	<b>\$91,271</b>	<b>\$0</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>FED DRUG FORF FD (419)</b>								
<b>POLICE</b>								
Fund Balance Reconciliation				\$11,290	\$11,290		\$11,290	\$0
<b>Total for Fund 419</b>				<b>\$11,290</b>	<b>\$11,290</b>	<b>\$0</b>	<b>\$11,290</b>	<b>\$0</b>
<b>RES CONST TAX CONTR FUND (420)</b>								
<b>Devel Assisted Capital Program</b>								
Fund Balance Reconciliation				\$19,006	\$19,006		\$19,006	\$0
Rebudget: Street Improvements for New Developers				(\$40,000)	\$0			\$0
<b>Total for Fund 420</b>				<b>(\$40,000)</b>	<b>\$59,006</b>	<b>\$0</b>	<b>\$19,006</b>	<b>\$0</b>
<b>ARTERIAL &amp; MAJOR COLL FD (421)</b>								
<b>Traffic Capital Program</b>								
Fund Balance Reconciliation				\$407,524	\$407,524		\$407,524	\$0
<b>Total for Fund 421</b>				<b>\$407,524</b>	<b>\$407,524</b>	<b>\$0</b>	<b>\$407,524</b>	<b>\$0</b>
<b>COMMTY FACIL REVENUE FD (422)</b>								
<b>CAE SVCS</b>								
Fund Balance Reconciliation				\$483,969	\$483,969		\$483,969	\$0
<b>Total for Fund 422</b>				<b>\$483,969</b>	<b>\$483,969</b>	<b>\$0</b>	<b>\$483,969</b>	<b>\$0</b>
<b>INTEG WASTE MGMT FD (423)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>INTEG WASTE MGMT FD (423)</b>								
<b>GENERAL SERVICES</b>								
CAP Adj: Reallocate Lease Costs-777 N. 1st St. #300, 350 & 450		(\$12,000)		\$12,000	\$0			\$0
<b>ENVIRON SVCS</b>								
Fund Balance Reconciliation				\$890,014	\$890,014		\$890,014	\$0
Rebudget (Revenue): Bay Area Air Quality Mgmt Dist				\$42,856	\$42,856	\$42,856		\$0
Rebudget: Integrated Database Program		\$60,000		(\$60,000)	\$0			\$0
Rebudget: Resource Area for Teachers Grant		\$50,000			\$50,000	\$50,000		\$0
<b>Total for Fund 423</b>		<b>\$98,000</b>		<b>\$884,870</b>	<b>\$982,870</b>	<b>\$92,856</b>	<b>\$890,014</b>	<b>\$0</b>
<b>CIVIC CTR CONST FD (425)</b>								
<b>Civic Center Capital Program</b>								
Fund Balance Reconciliation				(\$962,186)	(\$962,186)		(\$962,186)	\$0
Rebudget: Bond Proceeds				\$5,835,000	\$5,835,000	\$5,835,000		\$0
Rebudget: Civic Center Public Art			(\$175,000)	\$175,000	\$0			\$0
Rebudget: Construction			(\$696,000)	\$696,000	\$0			\$0
Rebudget: Consultants			\$5,523,000	(\$5,523,000)	\$0			\$0
Rebudget: Design and Construction Management			\$36,000	(\$36,000)	\$0			\$0
<b>Total for Fund 425</b>			<b>\$4,688,000</b>	<b>\$184,814</b>	<b>\$4,872,814</b>	<b>\$5,835,000</b>	<b>(\$962,186)</b>	<b>\$0</b>
<b>ANTI-TOBACCO SETTLEMENT FD (426)</b>								
<b>FIRE</b>								
Rebudget: Sr Fire & Fall Prevention Educ			\$10,000	(\$10,000)	\$0			\$0



**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>ANTI-TOBACCO SETTLEMENT FD (426)</b>								
<b>PRNS</b>								
Fund Balance Reconciliation				\$1,267,460	\$1,267,460		\$1,267,460	\$0
Fund Balance Reconciliation: Interest Earnings Reserve				\$254,775	\$254,775		\$254,775	\$0
Rebudget: Addressing the Gaps in Aging Services			\$369,514	(\$369,514)	\$0			\$0
Rebudget: Books for Little Hands			\$85,486	(\$85,486)	\$0			\$0
Rebudget: Children's Health Initiative (Calpine funds)			\$100,000		\$100,000	\$100,000		\$0
Rebudget: City-Schools Collaborative			\$8,722	(\$8,722)	\$0			\$0
Rebudget: Gardner Community Ctr Sr Expansion			\$26,114	(\$26,114)	\$0			\$0
Rebudget: HNVF Administration			\$45,763	(\$45,763)	\$0			\$0
Rebudget: SJ College Prep Loan			\$150,000	(\$150,000)	\$0			\$0
Rebudget: Smart Start Centers			\$24,554	(\$24,554)	\$0			\$0
Rebudget: Youth Tobacco Education & Compliance			\$22,621	(\$22,621)	\$0			\$0
<b>Total for Fund 426</b>			<b>\$842,774</b>	<b>\$779,461</b>	<b>\$1,622,235</b>	<b>\$100,000</b>	<b>\$1,522,235</b>	<b>\$0</b>

**BUILDING & STRUCT CONSTR TAX (429)**

<b>Traffic Capital Program</b>								
Fund Balance Reconciliation				\$7,180,381	\$7,180,381		\$7,180,381	\$0
Rebudget: Berryessa Road: Route 101 to Route 680			\$47,000	(\$47,000)	\$0			\$0
Rebudget: HBRR-Airport Revenue				\$37,000	\$37,000	\$37,000		\$0
Rebudget: Hostetter Road: Sierra Creek to Stone Creek			\$1,806,000	(\$1,806,000)	\$0			\$0
Rebudget: ITS: Airport			(\$2,000)	\$2,000	\$0			\$0
Rebudget: ITS: Enhancements				\$153,000	\$153,000	\$153,000		\$0
Rebudget: ITS: Milpitas/Fremont			\$19,000	\$259,000	\$278,000	\$278,000		\$0
Rebudget: ITS: Proactive Signal Retiming				\$26,000	\$26,000	\$26,000		\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE	NET COST
	Personal Services	Non-Personal/ Equipment	Other			Beg Fund Balance	
<b>BUILDING &amp; STRUCT CONSTR TAX (429)</b>							
<b>Traffic Capital Program</b>							
Rebudget: ITS: Stevens Creek West				\$16,000	\$16,000	\$16,000	\$0
Rebudget: ITS: Stevens Creek-West			(\$21,000)	\$21,000	\$0		\$0
Rebudget: ITS: Web Traveler			(\$4,000)	\$4,000	\$0		\$0
Rebudget: Initial Freeway Interchange Investment Study			\$600,000	(\$600,000)	\$0		\$0
Rebudget: Julian: Route 101 to 24th			\$32,000	(\$32,000)	\$0		\$0
Rebudget: King Road: Penitencia Creek Bridge			\$56,000	(\$56,000)	\$0		\$0
Rebudget: King Road: Penitencia to McKee			\$416,000	(\$416,000)	\$0		\$0
Rebudget: Landscaping: Santa Teresa			\$154,000	(\$154,000)	\$0		\$0
Rebudget: Landscaping: Santa Teresa-Coleman			\$376,000	(\$376,000)	\$0		\$0
Rebudget: Lester Property Area Street Improvements			(\$3,000)	\$3,000	\$0		\$0
Rebudget: McKee Road at Capitol Avenue			(\$4,000)	\$4,000	\$0		\$0
Rebudget: Monterey Road Landscaping			(\$21,000)	\$21,000	\$0		\$0
Rebudget: Oakland Road: Coyote Creek Bridge			\$35,000	(\$35,000)	\$0		\$0
Rebudget: Oakland Road: Fox to Montague			(\$21,000)	\$21,000	\$0		\$0
Rebudget: Oakland Road: Route 101 to Hedding			(\$164,000)	\$164,000	\$0		\$0
Rebudget: Oakland Road: Route 101 to Schallenberger			(\$63,000)	\$63,000	\$0		\$0
Rebudget: Oakland Road: Wayne Ave/UPRR			\$313,000	(\$313,000)	\$0		\$0
Rebudget: RDA Route 87 Revenue				\$400,000	\$400,000	\$400,000	\$0
Rebudget: Route 87: Funding Supplement			\$243,000	(\$243,000)	\$0		\$0
Rebudget: Route 87: Caltrans Design and Construction Support			\$3,000	(\$3,000)	\$0		\$0
Rebudget: Route 87: Consultant Support Acceleration			\$397,000	(\$397,000)	\$0		\$0
Rebudget: Route 87: Equity Office/Caltrans			(\$950,000)	\$950,000	\$0		\$0
Rebudget: Route 880: Brokaw Interchange Upgrade			\$300,000	(\$300,000)	\$0		\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>BUILDING &amp; STRUCT CONSTR TAX (429)</b>								
<b>Traffic Capital Program</b>								
Rebudget: Route 880: Coleman Interchange Upgrade			(\$3,000)	\$3,000	\$0			\$0
Rebudget: Route 880: Stevens Creek Interchange			\$2,300,000	(\$2,300,000)	\$0			\$0
Rebudget: Seismic Bridge Retrofit Revenue				\$199,000	\$199,000	\$199,000		\$0
Rebudget: Senter Road: Lewis to Capitol			(\$85,000)	\$85,000	\$0			\$0
Rebudget: Smart Intersections			\$379,000	(\$379,000)	\$0			\$0
Rebudget: Story Road: Senter to McLaughlin			\$4,000	(\$4,000)	\$0			\$0
Rebudget: Taylor Street at Route 101			\$115,000	(\$115,000)	\$0			\$0
Rebudget: Traffic Signals (Prop. 111)			\$46,000	(\$46,000)	\$0			\$0
Rebudget: Transportation Division Office Remodel			\$78,000	(\$78,000)	\$0			\$0
Rebudget: Trimble Road at Guadalupe River			\$267,000	(\$267,000)	\$0			\$0
Rebudget: Tully Road: Monterey to Lucretia			(\$1,000)	\$1,000	\$0			\$0
Rebudget: Williams Road Sidewalk			\$32,000	(\$32,000)	\$0			\$0
Rebudget: Willow Glen Way: Guadalupe River Bridge			(\$89,000)	\$89,000	\$0			\$0
Rebudget: Wooster Avenue: Silver Creek Bridge			(\$47,000)	\$47,000	\$0			\$0
<b>Total for Fund 429</b>			<b>\$6,540,000</b>	<b>\$1,749,381</b>	<b>\$8,289,381</b>	<b>\$1,109,000</b>	<b>\$7,180,381</b>	<b>\$0</b>
<b>CIVIC CTR PRKNG FD (433)</b>								
<b>Civic Center Capital Program</b>								
Fund Balance Reconciliation				(\$41,859)	(\$41,859)		(\$41,859)	\$0
Rebudget: New Civic Center Parking Garages			(\$41,400)	\$41,400	\$0			\$0
<b>Total for Fund 433</b>			<b>(\$41,400)</b>	<b>(\$459)</b>	<b>(\$41,859)</b>	<b>\$0</b>	<b>(\$41,859)</b>	<b>\$0</b>
<b>HAYES MANSION PHASE III (434)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>HAYES MANSION PHASE III (434)</b>								
<b>CAE SVCS</b>								
Fund Balance Reconciliation				\$1,915,783	\$1,915,783		\$1,915,783	\$0
Rebudget: Developer Payment			\$1,915	(\$1,915)	\$0			\$0
Rebudget: On-Site Improvement - Taxable Proceeds			\$128,759	(\$128,759)	\$0			\$0
Rebudget: Park Improvements - Tax Exempt Proceeds			\$1,102,935	(\$1,102,935)	\$0			\$0
Rebudget: Public Art Tax Exempt Proceeds			\$82,929	(\$82,929)	\$0			\$0
Rebudget: Public Art Taxable Proceeds			\$330,885	(\$330,885)	\$0			\$0
Rebudget: Underground Parking - Tax Exempt			\$11,950	(\$11,950)	\$0			\$0
<b>Total for Fund 434</b>			<b>\$1,659,373</b>	<b>\$256,410</b>	<b>\$1,915,783</b>	<b>\$0</b>	<b>\$1,915,783</b>	<b>\$0</b>
<b>DEVELOPMENT ENHANCEMENT (439)</b>								
<b>ECONOMIC DEVELOPMENT</b>								
Fund Balance Reconciliation				\$7,711	\$7,711		\$7,711	\$0
<b>Total for Fund 439</b>				<b>\$7,711</b>	<b>\$7,711</b>	<b>\$0</b>	<b>\$7,711</b>	<b>\$0</b>
<b>HOUSING AND HOMELESS FD (440)</b>								
<b>HOUSING</b>								
Fund Balance Reconciliation				\$291,374	\$291,374		\$291,374	\$0
<b>Total for Fund 440</b>				<b>\$291,374</b>	<b>\$291,374</b>	<b>\$0</b>	<b>\$291,374</b>	<b>\$0</b>
<b>COMM DEV BK GRANT (441)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>COMM DEV BK GRANT (441)</b>								
<b>REDEVELOPMENT AGENCY</b>								
Rebudget: Econ Dev Improvement Grants			\$200,000	(\$200,000)	\$0			\$0
<b>FINANCE</b>								
Rebudget: Grant Accounting			\$12,358	(\$12,358)	\$0			\$0
<b>HOUSING</b>								
Rebudget: Housing Rehabilitation			\$486,688	(\$486,688)	\$0			\$0
Rebudget: Housing Relocation			\$24,000	(\$24,000)	\$0			\$0
Rebudget: Predevelopment Loan Program			\$214,733	(\$214,733)	\$0			\$0
<b>PUBLIC WORKS</b>								
Rebudget: Mayfair Streetlights Phase II			\$8,783	(\$8,783)	\$0			\$0
Rebudget: Project Estimating Services			\$10,000	(\$10,000)	\$0			\$0
Rebudget: Real Estate Services			\$8,000	(\$8,000)	\$0			\$0
Rebudget: Street Reconstruction-Delno Street			\$9,279	(\$9,279)	\$0			\$0
<b>PBCE</b>								
Rebudget: Community Improvement Program			\$26,288	(\$26,288)	\$0			\$0
Rebudget: Concentrated Code Enforcement			\$23,264	(\$23,264)	\$0			\$0
Rebudget: Environmental Impact Studies			\$33,022	(\$33,022)	\$0			\$0
Rebudget: Neighborhood Action Centers			\$13,328	(\$13,328)	\$0			\$0
Rebudget: Neighborhood Revitalization Plan			\$13,805	(\$13,805)	\$0			\$0
Rebudget: Project Crackdown			\$29,828	(\$29,828)	\$0			\$0
<b>ECONOMIC DEVELOPMENT</b>								
Rebudget: Clean-Up Revolving Loan Fund Expansion			(\$184,969)	\$184,969	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>COMM DEV BK GRANT (441)</b>								
<b>PRNS</b>								
Fund Balance Reconciliation				\$6,236,756	\$6,236,756		\$6,236,756	\$0
Rebudget: Billy DeFrank Community Ctr			\$29,722	(\$29,722)	\$0			\$0
Rebudget: CDBG Administration			\$237,416	(\$237,416)	\$0			\$0
Rebudget: CDBG Program Eval			\$30,000	(\$30,000)	\$0			\$0
Rebudget: Eastside Clubhouse Capital Project			\$750,000	(\$750,000)	\$0			\$0
Rebudget: Eval of CDBG Program			\$60,000	(\$60,000)	\$0			\$0
Rebudget: Goss Community Facility			\$200,000	(\$200,000)	\$0			\$0
Rebudget: Graffiti Abatement Program			\$36,645	(\$36,645)	\$0			\$0
Rebudget: Guadalupe-Washington Alley Reconstruction			\$260,000	(\$260,000)	\$0			\$0
Rebudget: Neighborhood Revitalization Strategy Team			\$71,741	(\$71,741)	\$0			\$0
Rebudget: Non-Profit Capacity Building			\$85,025	(\$85,025)	\$0			\$0
Rebudget: Northside Community Ctr Expansion			\$41,667	(\$41,667)	\$0			\$0
Rebudget: Nursery Renovation Project			\$194,000	(\$194,000)	\$0			\$0
Rebudget: Roosevelt Roller Hockey Rink Renovation			\$184,074	(\$184,074)	\$0			\$0
Rebudget: Sixth & Bestor Park Site Development			\$80,000	(\$80,000)	\$0			\$0
Rebudget: Therapeutic Rec & Wellness Study			\$200,000	(\$200,000)	\$0			\$0
<b>Total for Fund 441</b>			<b>\$3,388,697</b>	<b>\$2,848,059</b>	<b>\$6,236,756</b>	<b>\$0</b>	<b>\$6,236,756</b>	<b>\$0</b>
<b>LOW/MOD INC HSNG FD (443)</b>								
<b>HOUSING</b>								
Fund Balance Reconciliation				\$2,149,574	\$2,149,574		\$2,149,574	\$0
Fund Balance Reconciliation: Cash Reserve			\$25,474		\$25,474		\$25,474	\$0
Technical Adjustment: Overhead			\$182,852	(\$182,852)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>LOW/MOD INC HSNG FD (443)</b>								
<b>Total for Fund 443</b>			\$208,326	\$1,966,722	\$2,175,048	\$0	\$2,175,048	\$0
<b>ECON DEV ADMIN LOAN FD (444)</b>								
<b>ECONOMIC DEVELOPMENT</b>								
Rebudget: Small Business Loans			\$36,801		\$36,801		\$36,801	\$0
<b>Total for Fund 444</b>			\$36,801		\$36,801	\$0	\$36,801	\$0
<b>HOME INVEST PARTNR PGM (445)</b>								
<b>HOUSING</b>								
Fund Balance Reconciliation				(\$1,098,876)	(\$1,098,876)		(\$1,098,876)	\$0
Rebudget: Cal Home Grant Revenue				\$500,000	\$500,000	\$500,000		\$0
Technical Adjustment: Overhead			\$66,979	(\$66,979)	\$0			\$0
<b>Total for Fund 445</b>			\$66,979	(\$665,855)	(\$598,876)	\$500,000	(\$1,098,876)	\$0
<b>STORM DRAIN SVCE USE CHRG (446)</b>								
<b>TRANSPORTATION</b>								
Rebudget: Street Sweeping Contract		\$250,000		(\$250,000)	\$0			\$0
<b>GENERAL SERVICES</b>								
CAP Adj: Reallocate Lease Costs-777 N. 1st St. #300, 350 & 450		(\$9,000)		\$9,000	\$0			\$0
<b>ENVIRON SVCS</b>								
Fund Balance Reconciliation				\$743,664	\$743,664		\$743,664	\$0
<b>Total for Fund 446</b>		\$241,000		\$502,664	\$743,664	\$0	\$743,664	\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>REDEV CAPITAL PROJECTS FUND</b>								
<b>TRANSPORTATION</b>								
Rebudget: Bart to San Jose Study			(\$500)	\$500	\$0			\$0
Rebudget: NBD Pole Painting			(\$40,000)	\$40,000	\$0			\$0
<b>PUBLIC WORKS</b>								
Rebudget: 2nd & San Fernando Parking Garage			\$7,817	(\$7,817)	\$0			\$0
Rebudget: 2nd Streetscape			\$62,970	(\$62,970)	\$0			\$0
Rebudget: Alameda Sidewalk Replacement			(\$12,447)	\$12,447	\$0			\$0
Rebudget: Alameda Streetscape Project			\$4,795	(\$4,795)	\$0			\$0
Rebudget: Alum Rock Streetscape Improvements			(\$2,565)	\$2,565	\$0			\$0
Rebudget: Automatic Public Toilet			\$2,359	(\$2,359)	\$0			\$0
Rebudget: Bellevue Park Master Plan			\$37,863	(\$37,863)	\$0			\$0
Rebudget: Center for Performing Arts Improvements			(\$1,051)	\$1,051	\$0			\$0
Rebudget: Community Facilities District in Old Edenvale			\$72,299	(\$72,299)	\$0			\$0
Rebudget: East Santa Clara Street Pedestrian Lighting			(\$7,707)	\$7,707	\$0			\$0
Rebudget: Fallon Statue Public Art			(\$54,197)	\$54,197	\$0			\$0
Rebudget: Fourth & San Fernando Parking Garage Plan Review			(\$34,314)	\$34,314	\$0			\$0
Rebudget: Hellyer/Silver Creek Valley Road Development			\$29,428	(\$29,428)	\$0			\$0
Rebudget: Japantown Gateway			(\$8,070)	\$8,070	\$0			\$0
Rebudget: Keeble Avenue Storm Sewer			\$70,000	(\$70,000)	\$0			\$0
Rebudget: King and Story Road Improvements			(\$624,434)	\$624,434	\$0			\$0
Rebudget: Misc Projects			(\$12,341)	\$12,341	\$0			\$0
Rebudget: Monterey Corridor Median Improvement			\$2,907	(\$2,907)	\$0			\$0
Rebudget: Monterey Pedestrian St. Light Design			\$34,456	(\$34,456)	\$0			\$0
Rebudget: Monterey/South First Street Tree Planting			(\$5,186)	\$5,186	\$0			\$0



**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>REDEV CAPITAL PROJECTS FUND</b>								
<b>PUBLIC WORKS</b>								
Rebudget: North San Jose Rincon Storm System Impvmts.-Phase II			\$831,263	(\$831,263)	\$0			\$0
Rebudget: Opera San Jose at the Fox Theatre			(\$55,801)	\$55,801	\$0			\$0
Rebudget: Phelan Avenue Infrastructure Improvements			\$10,804	(\$10,804)	\$0			\$0
Rebudget: Preliminary Review Process and Project Support			\$13,836	(\$13,836)	\$0			\$0
Rebudget: Prusch Park Construction			\$751	(\$751)	\$0			\$0
Rebudget: Public Works Vehicle Replacement			\$3,470	(\$3,470)	\$0			\$0
Rebudget: Pueblo Uno Streetscape			\$33,426	(\$33,426)	\$0			\$0
Rebudget: Reperatory Theatre Modifications			(\$4,000)	\$4,000	\$0			\$0
Rebudget: Rincon Pump Station			\$118,115	(\$118,115)	\$0			\$0
Rebudget: Story Road Median Island Improvements			\$157,467	(\$157,467)	\$0			\$0
Rebudget: Story Road and Lido Way Sidewalk Replacement			(\$14,650)	\$14,650	\$0			\$0
Rebudget: The Alameda at Martin and Cleaves Improvements			(\$4,862)	\$4,862	\$0			\$0
Rebudget: Transit Mall Pan			\$85,850	(\$85,850)	\$0			\$0
Rebudget: Union and Foxworthy Avenues Improvement			\$73,254	(\$73,254)	\$0			\$0
Rebudget: West San Carlos Street Pedestrian Streetlight			(\$15,228)	\$15,228	\$0			\$0
<b>CAE SVCS</b>								
Rebudget: Biblioteca/ Youth Center Public Art			\$11,287	(\$11,287)	\$0			\$0
Rebudget: Burbank Theater Survey			(\$6,000)	\$6,000	\$0			\$0
Rebudget: Carousel/ Children's Play Area Public Art			\$7,000	(\$7,000)	\$0			\$0
Rebudget: Convention Center Capital Improvements			(\$56,785)	\$56,785	\$0			\$0
Rebudget: Fox Theatre Public Art			(\$500)	\$500	\$0			\$0
Rebudget: Horace Mann School Public Art			(\$500)	\$500	\$0			\$0
Rebudget: San Jose Symphony Hall			\$91,988	(\$91,988)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>REDEV CAPITAL PROJECTS FUND</b>								
<b>CAPITAL</b>								
Fund Balance Reconciliation				\$7,066,573	\$7,066,573		\$7,066,573	\$0
<b>Total for Fund 450</b>			<b>\$802,267</b>	<b>\$6,264,306</b>	<b>\$7,066,573</b>	<b>\$0</b>	<b>\$7,066,573</b>	<b>\$0</b>
<b>TRANSIENT OCCUPANCY TAX (461)</b>								
<b>CAE SVCS</b>								
Fund Balance Reconciliation				(\$115,268)	(\$115,268)		(\$115,268)	\$0
Rebudget: Cultural Organizations			\$319,780	(\$319,780)	\$0			\$0
Rebudget: Revenue Enhancement Consulting			\$36,000		\$36,000		\$36,000	\$0
<b>Total for Fund 461</b>			<b>\$355,780</b>	<b>(\$435,048)</b>	<b>(\$79,268)</b>	<b>\$0</b>	<b>(\$79,268)</b>	<b>\$0</b>
<b>LAKE CUNNINGHAM FUND (462)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$27,072	\$27,072		\$27,072	\$0
Rebudget: Capital Renovation/Restoration			\$41,000	(\$41,000)	\$0			\$0
Rebudget: Lake Cunningham Groundwater Repair			(\$2,000)	\$2,000	\$0			\$0
Rebudget: Parking Improvements			\$35,000	(\$35,000)	\$0			\$0
<b>Total for Fund 462</b>			<b>\$74,000</b>	<b>(\$46,928)</b>	<b>\$27,072</b>	<b>\$0</b>	<b>\$27,072</b>	<b>\$0</b>
<b>CENTR SVC YD ACQ &amp; CONST FD (463)</b>								
<b>Service Yards Capital Program</b>								
Fund Balance Reconciliation				\$15,747	\$15,747		\$15,747	\$0
<b>Total for Fund 463</b>				<b>\$15,747</b>	<b>\$15,747</b>	<b>\$0</b>	<b>\$15,747</b>	<b>\$0</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONSTRUCTION EXCISE TAX FD (465)</b>								
<b>Traffic Capital Program</b>								
Fund Balance Reconciliation				\$5,476,427	\$5,476,427		\$5,476,427	\$0
Rebudget: Bicycle and Pedestrian Facilities			\$385,000	(\$385,000)	\$0			\$0
Rebudget: Budget and Grant Administration			(\$10,000)	\$10,000	\$0			\$0
Rebudget: CFD # 9 North Coyote II			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Capital Projects Conceptual Engineering			\$178,000	(\$178,000)	\$0			\$0
Rebudget: Cisco: Bailey 101 Interchange			\$59,000	(\$59,000)	\$0			\$0
Rebudget: Cisco: North Coyote Valley Improvements			\$4,000	(\$4,000)	\$0			\$0
Rebudget: Cisco: Traffic Mitigation			\$170,000	(\$170,000)	\$0			\$0
Rebudget: City-wide Emergency Repairs			\$21,000	(\$21,000)	\$0			\$0
Rebudget: Curb Accessibility Program			\$637,000	(\$637,000)	\$0			\$0
Rebudget: Curb and Gutter Repair			\$17,000	(\$17,000)	\$0			\$0
Rebudget: Curtner Ave Infrastructure Impvts			\$203,000	(\$203,000)	\$0			\$0
Rebudget: Landscaping/Capitol Exp			(\$28,000)	\$28,000	\$0			\$0
Rebudget: McLaughlin Ave: Williams to Route 280			\$3,000	(\$3,000)	\$0			\$0
Rebudget: Measure A/B Engineering			(\$24,000)	\$24,000	\$0			\$0
Rebudget: Median Island Landscape: Replanting			\$11,000	(\$11,000)	\$0			\$0
Rebudget: North San Jose Deficiency Plan Improvements			\$15,000	(\$15,000)	\$0			\$0
Rebudget: Rail Transit Project Mgt			\$8,000	(\$8,000)	\$0			\$0
Rebudget: Railroad Grade Crossings			\$59,000	(\$59,000)	\$0			\$0
Rebudget: Right of Way Land Acquisition			\$17,000	(\$17,000)	\$0			\$0
Rebudget: Street Lighting			\$257,000	(\$257,000)	\$0			\$0
Rebudget: Street Maintenance			\$2,055,000	(\$2,055,000)	\$0			\$0
Rebudget: Street Maintenance - Measure A/B			(\$471,000)	\$471,000	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>CONSTRUCTION EXCISE TAX FD (465)</b>								
<b>Traffic Capital Program</b>								
Rebudget: Street Maintenance: TCRP			\$354,000	(\$354,000)	\$0			\$0
Rebudget: Streetlight Pole Replacement			\$205,000	(\$205,000)	\$0			\$0
Rebudget: Traffic Calming			\$437,000	(\$437,000)	\$0			\$0
Rebudget: Traffic Forecasting			\$55,000	(\$55,000)	\$0			\$0
Rebudget: Traffic Operations Conceptual Engineering			\$20,000	(\$20,000)	\$0			\$0
Rebudget: Traffic Safety - School Walking Routes			\$50,000	(\$50,000)	\$0			\$0
Rebudget: Traffic Safety Improvements			\$163,000	(\$163,000)	\$0			\$0
Rebudget: Traffic Signal - Developer Assisted			\$2,000	(\$2,000)	\$0			\$0
Rebudget: Transportation Policy			\$76,000	(\$76,000)	\$0			\$0
Rebudget: Weed Abatement			\$38,000	(\$38,000)	\$0			\$0
<b>Total for Fund 465</b>			<b>\$4,969,000</b>	<b>\$507,427</b>	<b>\$5,476,427</b>	<b>\$0</b>	<b>\$5,476,427</b>	<b>\$0</b>
<b>STORM SEWER CAPITAL FD (469)</b>								
<b>Storm Sewer Capital Program</b>								
Fund Balance Reconciliation				\$253,673	\$253,673		\$253,673	\$0
Rebudget: Flow Monitoring System			\$9,000	(\$9,000)	\$0			\$0
Rebudget: Miscellaneous Projects			\$133,000	(\$133,000)	\$0			\$0
Rebudget: Old Oakland Road			\$38,000	(\$38,000)	\$0			\$0
Rebudget: Preliminary Engineering			(\$5,000)	\$5,000	\$0			\$0
Rebudget: Program Management			(\$20,000)	\$20,000	\$0			\$0
Rebudget: Redmond/Firefly			\$74,000	(\$74,000)	\$0			\$0
<b>Total for Fund 469</b>			<b>\$229,000</b>	<b>\$24,673</b>	<b>\$253,673</b>	<b>\$0</b>	<b>\$253,673</b>	<b>\$0</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PARKS &amp; REC BOND PRJ FD (471)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Fund Balance Reconciliation				\$7,135,096	\$7,135,096		\$7,135,096	\$0
Rebudget: Almaden Community Center - Multi Service			\$46,000	(\$46,000)	\$0			\$0
Rebudget: Almaden Meadows Park Youth Lot Renovation			\$23,000	(\$23,000)	\$0			\$0
Rebudget: Alviso Park Youth & Tot Lot Renovation			\$54,000	(\$54,000)	\$0			\$0
Rebudget: Backesto Park Youth & Tot Lot Renov. & Restr. m.			\$189,000	(\$189,000)	\$0			\$0
Rebudget: Biebrach Park Youth & Tot Lot Reno. & Restr. m.			\$90,000	(\$90,000)	\$0			\$0
Rebudget: Bramhall Park Restroom			\$196,000	(\$196,000)	\$0			\$0
Rebudget: Brigadoon Park Tot Lot Renovation			\$65,000	(\$65,000)	\$0			\$0
Rebudget: Butcher Park Youth & Tot Lot Renovation			\$154,000	(\$154,000)	\$0			\$0
Rebudget: Calabazas Park Restroom			\$46,000	(\$46,000)	\$0			\$0
Rebudget: Camden Community Center - Multi-Service			\$397,000	(\$397,000)	\$0			\$0
Rebudget: Capitol Park Youth & Tot Lot Renovation			\$151,000	(\$151,000)	\$0			\$0
Rebudget: Cataldi Park Youth & Tot Lot Renovation			\$157,000	(\$157,000)	\$0			\$0
Rebudget: Children of Rainbow Youth Lot Renovation			\$72,000	(\$72,000)	\$0			\$0
Rebudget: Cimarron Park Play Area Renovation			\$11,000	(\$11,000)	\$0			\$0
Rebudget: Emma Prusch Memorial Park			\$311,000	(\$311,000)	\$0			\$0
Rebudget: Emma Prusch Memorial Park - LeFevre House			\$164,000	(\$164,000)	\$0			\$0
Rebudget: Erickson Park Play Area Renovation			\$37,000	(\$37,000)	\$0			\$0
Rebudget: Evergreen Park Play Area Renov. & Restr. m.			\$117,000	(\$117,000)	\$0			\$0
Rebudget: Fernish Park Play Area Renovation			\$94,000	(\$94,000)	\$0			\$0
Rebudget: Flickinger Park Youth Tot Lot Renov. & Restr. m.			\$66,000	(\$66,000)	\$0			\$0
Rebudget: Fontana Park Youth and Tot Lot Renovation			\$68,000	(\$68,000)	\$0			\$0
Rebudget: Forestdale Park Tot Lot Renovation			\$25,000	(\$25,000)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PARKS &amp; REC BOND PRJ FD (471)</b>								
<b>Parks/Commty Fac Capital Pgm</b>								
Rebudget: Gardner Community Center - Multi-Service			\$403,000	(\$403,000)	\$0			\$0
Rebudget: Great Oaks Park Play Area Renovation			\$1,000	(\$1,000)	\$0			\$0
Rebudget: Hamann Park Youth Lot Renovation & Restroom			\$64,000	(\$64,000)	\$0			\$0
Rebudget: Happy Hollow Ph II - Amusement Area Improvements			\$60,000	(\$60,000)	\$0			\$0
Rebudget: Happy Hollow Phase I - Strategy & Interim Impv.			\$25,000	(\$25,000)	\$0			\$0
Rebudget: Hathaway Park Tot Lot Renovation & Restroom			\$67,000	(\$67,000)	\$0			\$0
Rebudget: Hillview Park Play Area Renovation & Restroom			\$14,000	(\$14,000)	\$0			\$0
Rebudget: Houge Park Play Area Renovation & Restroom			\$16,000	(\$16,000)	\$0			\$0
Rebudget: Huerta Park Youth & Tot Lot Renovation			\$189,000	(\$189,000)	\$0			\$0
Rebudget: Kirk Park Youth & Tot Lot Renovation			\$95,000	(\$95,000)	\$0			\$0
Rebudget: Lone Hill Park Youth & Tot Lot Reno. & Restrm.			\$19,000	(\$19,000)	\$0			\$0
Rebudget: Los Gatos Crk Trail-Lincoln to Auzr. & Willow to Pedro			\$33,000	(\$33,000)	\$0			\$0
Rebudget: Los Paseos Park Youth Lot Reno. & Restrm.			\$43,000	(\$43,000)	\$0			\$0
Rebudget: Martin Park Youth & Tot Lot Renovation			\$59,000	(\$59,000)	\$0			\$0
Rebudget: Meadowfair Center Play Area Renovation			\$69,000	(\$69,000)	\$0			\$0
Rebudget: Meadows Park Youth & Tot Lot Renovation			\$95,000	(\$95,000)	\$0			\$0
Rebudget: Melody Park Youth Lot Renovation			\$73,000	(\$73,000)	\$0			\$0
Rebudget: Mise Park Restroom			\$57,000	(\$57,000)	\$0			\$0
Rebudget: Municipal Rose Garden			\$186,000	(\$186,000)	\$0			\$0
Rebudget: Murdock Park Youth Lot Renovation			\$35,000	(\$35,000)	\$0			\$0
Rebudget: Noble Park Play Area Renovation			\$51,000	(\$51,000)	\$0			\$0
Rebudget: Northwood Park Youth & Tot Lot Renovation			\$57,000	(\$57,000)	\$0			\$0
Rebudget: Parkview Park I Play Area Renovation			\$43,000	(\$43,000)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PARKS &amp; REC BOND PRJ FD (471)</b>								
<b>Parks/Comnty Fac Capital Pgm</b>								
Rebudget: Parma Park Youth & Tot Lot Renovation			\$15,000	(\$15,000)	\$0			\$0
Rebudget: Program Management - Bond Projects			\$306,000	(\$306,000)	\$0			\$0
Rebudget: Public Art - Park & Recreation Bond Projects			(\$27,000)	\$27,000	\$0			\$0
Rebudget: Rainbow Park Play Area Renov. & Restr. m.			\$77,000	(\$77,000)	\$0			\$0
Rebudget: Ramblewood Park Play Area Renov. & Restr. m.			\$79,000	(\$79,000)	\$0			\$0
Rebudget: River Glen Park Youth & Tot Lot Reno. & Restr. m.			\$310,000	(\$310,000)	\$0			\$0
Rebudget: Roy Avenue Park Play Area Renovation			\$25,000	(\$25,000)	\$0			\$0
Rebudget: Ryland Park Youth & Tot Lot Renov. & Restr. m.			\$240,000	(\$240,000)	\$0			\$0
Rebudget: San Tomas Park Youth/Tot Lot Renovation/ Restroom			\$78,000	(\$78,000)	\$0			\$0
Rebudget: Saratoga Creek Trail - 280 to Murdock Park			\$336,000	(\$336,000)	\$0			\$0
Rebudget: Shady Oaks Park Play Area Renovation			\$62,000	(\$62,000)	\$0			\$0
Rebudget: Shady Oaks Sports Park			(\$850,000)	\$850,000	\$0			\$0
Rebudget: Silver Leaf Park Play Area Renovation			\$112,000	(\$112,000)	\$0			\$0
Rebudget: Silvia Cassell Park Play Area Renovation			\$22,000	(\$22,000)	\$0			\$0
Rebudget: Singleton Sports Park			\$605,000	(\$605,000)	\$0			\$0
Rebudget: Solari Park Play Area Renov. & Restr. m.			\$259,000	(\$259,000)	\$0			\$0
Rebudget: Stonegate Park Youth & Tot Lot Renovation			\$55,000	(\$55,000)	\$0			\$0
Rebudget: Thousand Oaks Play Area Renovation Project			\$7,000	(\$7,000)	\$0			\$0
Rebudget: Townsend Park Youth & Tot Lot Renovation			\$59,000	(\$59,000)	\$0			\$0
Rebudget: Turtle Rock Park Play Area Renovation			\$61,000	(\$61,000)	\$0			\$0
Rebudget: Vinci Park Play Area Renovation Project			\$115,000	(\$115,000)	\$0			\$0
Rebudget: Vista Park Youth Lot Renovation			\$154,000	(\$154,000)	\$0			\$0
Rebudget: Watson Park Youth Lot Renovation & Restroom			\$56,000	(\$56,000)	\$0			\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>PARKS &amp; REC BOND PRJ FD (471)</b>								
<b>Parks/Commyty Fac Capital Pgm</b>								
Rebudget: Welch Park Restroom			\$59,000	(\$59,000)	\$0			\$0
<b>Total for Fund 471</b>			<b>\$6,502,000</b>	<b>\$633,096</b>	<b>\$7,135,096</b>	<b>\$0</b>	<b>\$7,135,096</b>	<b>\$0</b>
<b>BRANCH LIB BOND PRJ FD (472)</b>								
<b>Library Capital Program</b>								
Fund Balance Reconciliation				\$749,359	\$749,359		\$749,359	\$0
Rebudget: Alum Rock Branch			\$25,000	(\$25,000)	\$0			\$0
Rebudget: Berryessa Branch			(\$14,000)	\$14,000	\$0			\$0
Rebudget: Bossom Hill Branch			(\$16,000)	\$16,000	\$0			\$0
Rebudget: Land Acquisition			(\$480,000)	\$480,000	\$0			\$0
Rebudget: Project Services Consultant			\$22,000	(\$22,000)	\$0			\$0
Rebudget: Rosegarden Branch			(\$55,000)	\$55,000	\$0			\$0
Rebudget: Rosegarden Branch			(\$55,000)	\$55,000	\$0			\$0
Rebudget: SJPL Program Management			\$304,000	(\$304,000)	\$0			\$0
Rebudget: SouthEast Branch			\$40,000	(\$40,000)	\$0			\$0
Rebudget: Tully Road Branch			(\$53,000)	\$53,000	\$0			\$0
<b>Total for Fund 472</b>			<b>(\$282,000)</b>	<b>\$1,031,359</b>	<b>\$749,359</b>	<b>\$0</b>	<b>\$749,359</b>	<b>\$0</b>
<b>WATER UTILITY CAPITAL FD (500)</b>								
<b>Water Utility Sys Capital Pgm</b>								
Fund Balance Reconciliation				\$9,137	\$9,137		\$9,137	\$0
Rebudget: Infrastructure Improvements			\$27,000	(\$27,000)	\$0			\$0



**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>WATER UTILITY CAPITAL FD (500)</b>								
<b>Water Utility Sys Capital Pgm</b>								
Rebudget: North Coyote Valley Water System			(\$3,000)	\$3,000	\$0			\$0
Rebudget: Service Installations			\$116,000	(\$116,000)	\$0			\$0
Rebudget: System Maintenance/Repairs			\$27,000	(\$27,000)	\$0			\$0
Rebudget: Villages Reservoir Rehabilitation			\$48,000	(\$48,000)	\$0			\$0
<b>Total for Fund 500</b>			<b>\$215,000</b>	<b>(\$205,863)</b>	<b>\$9,137</b>	<b>\$0</b>	<b>\$9,137</b>	<b>\$0</b>
<b>MUNI WATER MAJOR FACIL FEE</b>								
<b>Water Utility Sys Capital Pgm</b>								
Fund Balance Reconciliation				(\$676,178)	(\$676,178)		(\$676,178)	\$0
Rebudget: Edenvale Well #4			(\$2,000)	\$2,000	\$0			\$0
<b>Total for Fund 502</b>			<b>(\$2,000)</b>	<b>(\$674,178)</b>	<b>(\$676,178)</b>	<b>\$0</b>	<b>(\$676,178)</b>	<b>\$0</b>
<b>SJ-SC TRMNT PLANT CAP FD (512)</b>								
<b>Water Poll Capital Program</b>								
Fund Balance Reconciliation				(\$606,244)	(\$606,244)		(\$606,244)	\$0
Rebudget: Electrical System Improvements			(\$72,000)	\$72,000	\$0			\$0
Rebudget: Equipment Replacement			(\$273,000)	\$273,000	\$0			\$0
Rebudget: Land Acquisition and Improvements			(\$44,000)	\$44,000	\$0			\$0
Rebudget: Plant Infrastructure Improvements			(\$158,000)	\$158,000	\$0			\$0
Rebudget: Revised SBAP - Industrial Recycle/Reuse			(\$32,000)	\$32,000	\$0			\$0
Rebudget: Revised SBAP - SBWR Extension			(\$3,292,000)	\$3,292,000	\$0			\$0
Rebudget: South Bay Water Recycling Program			(\$31,000)	\$31,000	\$0			\$0
Rebudget: WPCP Reliability Improvements			\$3,486,000	(\$3,486,000)	\$0			\$0

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**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>MUNICIPAL GOLF COURSE FD (518)</b>								
<b>CAE SVCS</b>								
Fund Balance Reconciliation				\$1,212,848	\$1,212,848		\$1,212,848	\$0
<b>Total for Fund 518</b>				<b>\$1,212,848</b>	<b>\$1,212,848</b>	<b>\$0</b>	<b>\$1,212,848</b>	<b>\$0</b>
<b>CUSTOMER FACIL &amp; TRANSP (519)</b>								
<b>AIRPORT</b>								
Fund Balance Reconciliation					\$0	(\$580,433)	\$580,433	\$0
Operating Contingency - Overhead Reimbursement				(\$964)	(\$964)			(\$964)
Transfer to Airport Revenue Fund - Overhead Reimbursement				\$964	\$964			\$964
<b>Total for Fund 519</b>					<b>\$0</b>	<b>(\$580,433)</b>	<b>\$580,433</b>	<b>\$0</b>
<b>AIRPORT CAPITAL IMPVMT FD (520)</b>								
<b>Airport Capital Program</b>								
Fund Balance Reconciliation				(\$802,579)	(\$802,579)		(\$802,579)	\$0
Rebudget: Noise Attenuation Treatment-Category I				(\$3,000)	\$3,000	\$0		\$0
Rebudget: Noise Attenuation Treatment-Schools				(\$321,000)	\$321,000	\$0		\$0
<b>Total for Fund 520</b>				<b>(\$324,000)</b>	<b>(\$478,579)</b>	<b>(\$802,579)</b>	<b>\$0</b>	<b>(\$802,579)</b>
<b>AIRPORT REVENUE FUND (521)</b>								
<b>AIRPORT</b>								
Fund Balance Reconciliation				\$8,940,199	\$8,940,199		\$8,940,199	\$0
Transfer from Airp Cust Facil & Transp Fee Fd-Overhead Reimb				\$964	\$964	\$964		\$0
Transfer to Airport Pass Facility Charge Fund-Overhead Reimb				\$24,131	(\$24,131)	\$0		\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT REVENUE FUND (521)</b>								
<b>AIRPORT</b>								
Transfer to Airport Rev Bond Imprvmt Fund-Overhead Reimb			\$26,285	(\$26,285)	\$0			\$0
<b>Total for Fund 521</b>			<b>\$50,416</b>	<b>\$8,890,747</b>	<b>\$8,941,163</b>	<b>\$964</b>	<b>\$8,940,199</b>	<b>\$0</b>
<b>AIRPORT MAINT &amp; OPER FD (523)</b>								
<b>AIRPORT</b>								
Fund Balance Reconciliation				(\$480,167)	(\$480,167)		(\$480,167)	\$0
Fund Balance Reconciliation-Reserve for Self Insurance			\$313,476		\$313,476		\$313,476	\$0
Fund Balance Reconciliation-Workers' Comp Claims Reserve			(\$313,476)		(\$313,476)		(\$313,476)	\$0
Rebudget: Annual Audit		\$63,000	(\$63,000)		\$0			\$0
<b>Total for Fund 523</b>		<b>\$63,000</b>	<b>(\$63,000)</b>	<b>(\$480,167)</b>	<b>(\$480,167)</b>	<b>\$0</b>	<b>(\$480,167)</b>	<b>\$0</b>
<b>AIRPORT FISCAL AGENT FD P&amp;I (525)</b>								
<b>AIRPORT</b>								
Fund Balance Reconciliation				(\$1,766,000)	(\$1,766,000)		(\$1,766,000)	\$0
<b>Total for Fund 525</b>				<b>(\$1,766,000)</b>	<b>(\$1,766,000)</b>	<b>\$0</b>	<b>(\$1,766,000)</b>	<b>\$0</b>
<b>AIRPORT REV BOND IMP FD (526)</b>								
<b>Airport Capital Program</b>								
Fund Balance Reconciliation				\$25,077,993	\$25,077,993		\$25,077,993	\$0
Transfer from the Airport Revenue Fund-Overhead Reimbursement				\$26,285	\$26,285	\$26,285		\$0
<b>Total for Fund 526</b>				<b>\$25,104,278</b>	<b>\$25,104,278</b>	<b>\$26,285</b>	<b>\$25,077,993</b>	<b>\$0</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT RENEW &amp; REPL FD (527)</b>								
<b>Airport Capital Program</b>								
Fund Balance Reconciliation				\$2,234,574	\$2,234,574		\$2,234,574	\$0
Rebudget: Airport People Mover (APM)-Transit Connect				(\$41,000)	\$41,000	\$0		\$0
Rebudget: Building Modifications				\$50,000	(\$50,000)	\$0		\$0
Rebudget: Consolidated Terminal Concept Design				\$121,000	(\$121,000)	\$0		\$0
Rebudget: Equipment, Operating				\$292,000	(\$292,000)	\$0		\$0
Rebudget: Federal Inspection Service-Road and Sign				\$50,000	(\$50,000)	\$0		\$0
Rebudget: Food and Beverage Svc Contract Imprvmnts				\$288,000	(\$288,000)	\$0		\$0
Rebudget: Interim Security Designs				\$88,000	(\$88,000)	\$0		\$0
Rebudget: Land Improvements				\$135,000	(\$135,000)	\$0		\$0
Rebudget: Noise Attenuation Testing-Category II/III				(\$2,000)	\$2,000	\$0		\$0
Rebudget: Restroom Upgrades-Terminals				\$47,000	(\$47,000)	\$0		\$0
Rebudget: Terminal Modifications A & C				\$90,000	(\$90,000)	\$0		\$0
Rebudget: Terminal/Garage Awnings				\$25,000	(\$25,000)	\$0		\$0
Rebudget: Traffic Mitigation				(\$230,000)	\$230,000	\$0		\$0
<b>Total for Fund 527</b>				<b>\$913,000</b>	<b>\$1,321,574</b>	<b>\$2,234,574</b>	<b>\$0</b>	<b>\$2,234,574</b>

**AIRPORT PASS FACIL CHG FD (529)**

<b>Airport Capital Program</b>								
Fund Balance Reconciliation				\$3,714,659	\$3,714,659		\$3,714,659	\$0
Rebudget: Federal Inspection Service Facility				\$709,000	(\$709,000)	\$0		\$0
Rebudget: Fiber Optic Cable (Response Ctr/Fire Stn 20)				\$35,000	(\$35,000)	\$0		\$0
Rebudget: Noise Attenuation Treatment-Category I				\$264,000	(\$264,000)	\$0		\$0
Rebudget: Noise Attenuation Treatment-Category IB				\$527,000	(\$527,000)	\$0		\$0

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>AIRPORT PASS FACIL CHG FD (529)</b>								
<b>Airport Capital Program</b>								
Rebudget: Noise Attenuation Treatment-Category II/III			(\$174,000)	\$174,000	\$0			\$0
Rebudget: Noise Attenuation Treatment-Schools			\$18,000	(\$18,000)	\$0			\$0
Rebudget: Security System Upgrades			\$117,000	(\$117,000)	\$0			\$0
Rebudget: Skyport Grade Separation			\$65,000	(\$65,000)	\$0			\$0
Transfer from Airport Revenue Fund-Overhead Reimb				\$24,131	\$24,131	\$24,131		\$0
<b>Total for Fund 529</b>			<b>\$1,561,000</b>	<b>\$2,177,790</b>	<b>\$3,738,790</b>	<b>\$24,131</b>	<b>\$3,714,659</b>	<b>\$0</b>
<b>GENERAL PURPOSE PARKING FD (533)</b>								
<b>TRANSPORTATION</b>								
Fund Balance Reconciliation				(\$386,226)	(\$386,226)		(\$386,226)	\$0
Rebudget: Facility Improvements			(\$58,544)	\$58,544	\$0			\$0
Rebudget: Peripheral Parking Lot Improvements			(\$20,582)	\$20,582	\$0			\$0
					\$0			\$0
<b>Total for Fund 533</b>			<b>(\$79,126)</b>	<b>(\$307,100)</b>	<b>(\$386,226)</b>	<b>\$0</b>	<b>(\$386,226)</b>	<b>\$0</b>
<b>CONV/CULTL FACIL FD (536)</b>								
<b>CAE SVCS</b>								
Fund Balance Reconciliation				\$1,066,409	\$1,066,409		\$1,066,409	\$0
Technical Adjustment: Overhead			\$215,806	(\$215,806)	\$0			\$0
<b>Total for Fund 536</b>			<b>\$215,806</b>	<b>\$850,603</b>	<b>\$1,066,409</b>	<b>\$0</b>	<b>\$1,066,409</b>	<b>\$0</b>
<b>SEWAGE TRTMNT PLNT CONN FD (539)</b>								

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>SEWAGE TRTMNT PLNT CONN FD (539)</b>								
<b>ENVIRON SVCS</b>								
Fund Balance Reconciliation				\$834,300	\$834,300		\$834,300	\$0
<b>Total for Fund 539</b>				<b>\$834,300</b>	<b>\$834,300</b>	<b>\$0</b>	<b>\$834,300</b>	<b>\$0</b>
<b>SANITARY SEWER CONN FEE FD (540)</b>								
<b>Sanitary Sewer Capital Program</b>								
Fund Balance Reconciliation				(\$399,156)	(\$399,156)		(\$399,156)	\$0
Rebudget: Almaden Boulevard				\$8,000	\$0			\$0
Rebudget: Edenvale Sanitary Sewer Supplement Phase V				(\$47,000)	\$0			\$0
Rebudget: Julian-Sunol Sewer Rehab				\$75,000	\$0			\$0
Rebudget: Monterey-Riverside Supplement				\$211,000	\$0			\$0
<b>Total for Fund 540</b>				<b>\$231,000</b>	<b>(\$399,156)</b>	<b>\$0</b>	<b>(\$399,156)</b>	<b>\$0</b>
<b>SEWER SVC &amp; USE CHARGE FD (541)</b>								
<b>TRANSPORTATION</b>								
Rebudget: Lamplighter Sanitary Sewer Pumps				\$56,500	\$0			\$0
<b>GENERAL SERVICES</b>								
CAP Adj: Reallocate Lease Costs-777 N. 1st St. # 300, 350 & 450				(\$28,000)	\$0			\$0
<b>ENVIRON SVCS</b>								
CAP Adj: Reallocate Water Efficiency Program Costs				(\$32,499)	\$0			\$0
Fund Balance Reconciliation				\$37,498	\$37,498		\$37,498	\$0
<b>Total for Fund 541</b>				<b>(\$116,999)</b>	<b>\$37,498</b>	<b>\$0</b>	<b>\$37,498</b>	<b>\$0</b>

**Special Funds  
Clean-up Adjustment Actions**

Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE		NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue	Beg Fund Balance	
<b>SEWER SVC &amp; USE CHG CAP (545)</b>								
<b>Sanitary Sewer Capital Program</b>								
Fund Balance Reconciliation				\$2,304,211	\$2,304,211		\$2,304,211	\$0
Rebudget: 5th Street Sewer and Storm Reloc. and Imprv. Program			(\$113,000)	\$113,000	\$0			\$0
Rebudget: 60" Brick Interceptor			(\$348,000)	\$348,000	\$0			\$0
Rebudget: San Pedro St. Rehab			\$10,000	(\$10,000)	\$0			\$0
Rebudget: San Tomas Aquino Creek Trunk Sewer			\$5,000	(\$5,000)	\$0			\$0
Rebudget: Taylor Street Brick Sewer			\$15,000	(\$15,000)	\$0			\$0
<b>Total for Fund 545</b>			<b>(\$431,000)</b>	<b>\$2,735,211</b>	<b>\$2,304,211</b>	<b>\$0</b>	<b>\$2,304,211</b>	<b>\$0</b>
<b>STORES FUND (551)</b>								
<b>GENERAL SERVICES</b>								
Fund Balance Reconciliation				\$131,576	\$131,576		\$131,576	\$0
<b>Total for Fund 551</b>				<b>\$131,576</b>	<b>\$131,576</b>	<b>\$0</b>	<b>\$131,576</b>	<b>\$0</b>
<b>VEHICLE MAINT &amp; OPER FD (552)</b>								
<b>GENERAL SERVICES</b>								
Fund Balance Reconciliation				(\$615,655)	(\$615,655)		(\$615,655)	\$0
Rebudget: Vehicle Replacement			(\$65,000)		(\$65,000)	(\$65,000)		\$0
<b>Total for Fund 552</b>			<b>(\$65,000)</b>	<b>(\$615,655)</b>	<b>(\$680,655)</b>	<b>(\$65,000)</b>	<b>(\$615,655)</b>	<b>\$0</b>



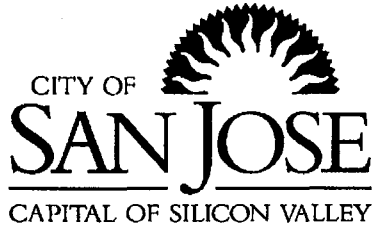
**2001-2002**

**ANNUAL**

**REPORT**

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**IV. FINANCIAL STATEMENTS**



**FINANCE DEPARTMENT**  
Monthly Financial Report

Financial Results for the 12 Months Ended June 30, 2002  
Fiscal Year 2001-02

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the 12 Months Ended June 30, 2002**  
**Fiscal Year 2001-02**

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the 12 Months Ended June 30, 2002**  
**Fiscal Year 2001-02**

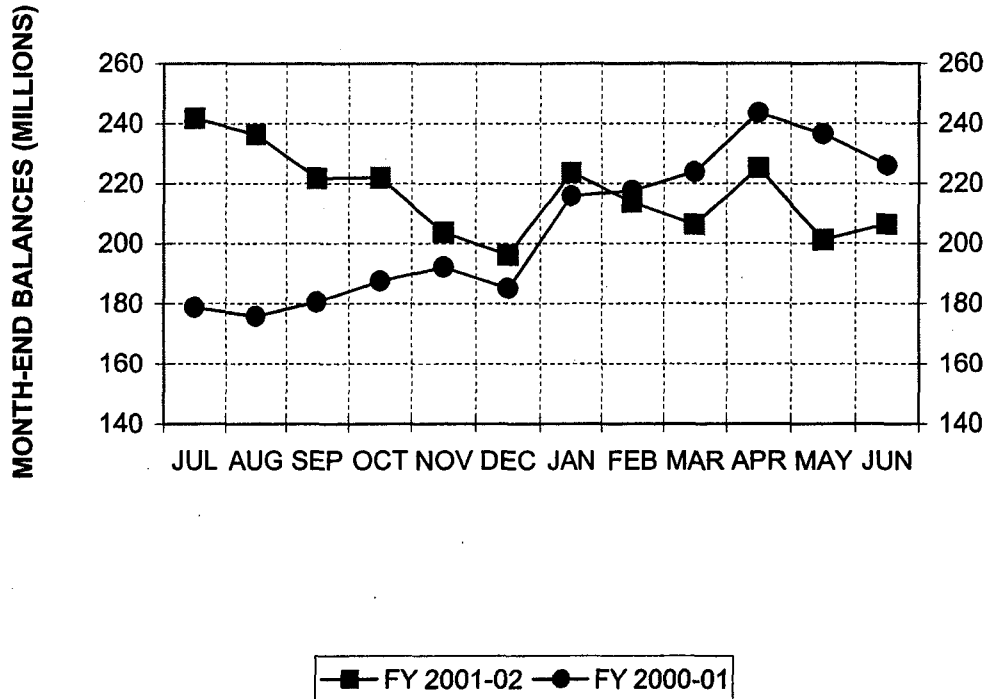
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Submitted by:

  
SCOTT P. JOHNSON  
Director, Finance Department

**GENERAL FUND  
Comparison of YTD Cash Balances**

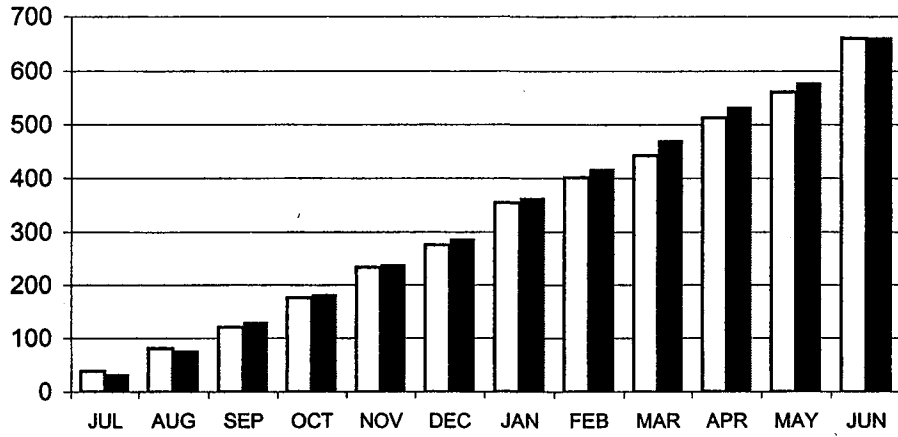


**GENERAL FUND MONTHLY CASH BALANCES**

MONTH	FY 2001-02	FY 2000-01
JULY	\$ 241,784,775	\$ 178,744,333
AUGUST	236,385,249	175,865,630
SEPTEMBER	221,699,865	180,548,273
OCTOBER	221,931,916	187,583,334
NOVEMBER	203,666,150	192,281,513
DECEMBER	196,194,488	185,075,533
JANUARY	223,666,133	215,858,561
FEBRUARY	213,866,578	217,544,562
MARCH	206,211,203	223,713,611
APRIL	225,096,951	243,615,280
MAY	201,199,156	236,569,622
JUNE	206,390,333	226,016,929

**GENERAL FUND  
Comparison of YTD Revenues  
Actual**

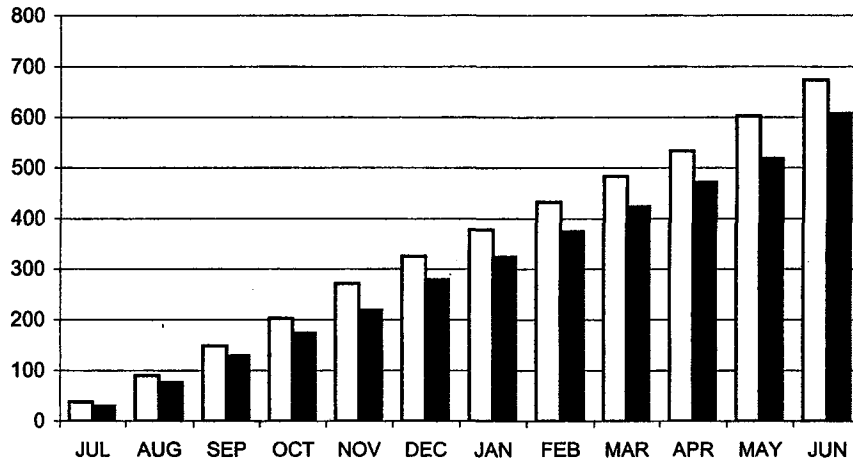
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2001-02 YTD   ■ FY 2000-01 YTD

**GENERAL FUND  
Comparison of YTD Expenditures  
Actual**

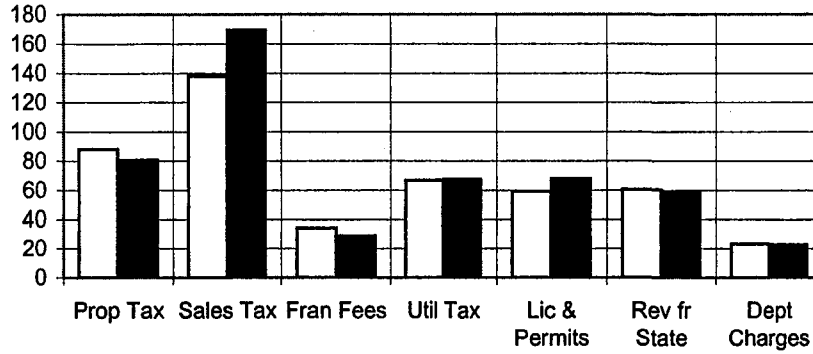
YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2001-02 YTD   ■ FY 2000-01 YTD

**GENERAL FUND MAJOR REVENUES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the 12 Months Ended June 30, 2002**

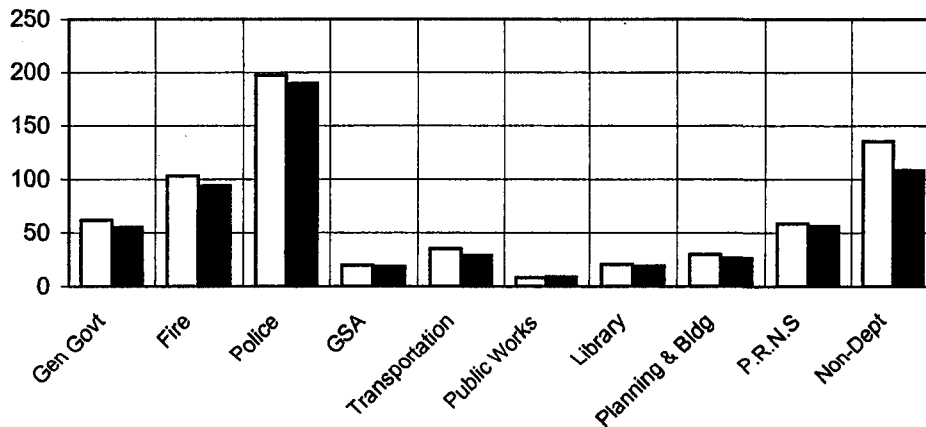
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2001-02 YTD ■ FY 2000-01 YTD

**GENERAL FUND MAJOR EXPENDITURES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the 12 Months Ended June 30, 2002**

YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2001-02 YTD ■ FY 2000-01 YTD

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2002**  
**(UNAUDITED)**  
**( \$000's )**

	ADOPTED	YTD		REVISED	CUR YTD		PRIOR	PRIOR YTD %			% CHANGE
	FY 2001-02	BUDGET	C/O	FY 2001-02	BUDGETARY	CUR YTD	YTD	OF PRIOR	PRIOR	CUR YTD LESS	CUR YTD ACTUAL
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ACTUAL %	ACTUAL	YEAR-END	YEAR-END	PRIOR YTD	LESS PRIOR YTD
								ACTUAL	ACTUAL	ACTUAL	ACTUAL
<b>Fund Balance</b>											
Prior Year Encumbrances	\$ -	-	33,801	33,801	33,801	100.00%	29,231	100.00%	29,231	4,570	15.63%
Liquidation of c/o Encumbrance	-	-	-	-	-	0.00%	-	0.00%	-	-	0.00%
Available Balance	150,203	64,113	-	214,316	215,519	100.56%	149,150	100.00%	149,150	66,369	44.50%
<b>Total Fund Balance</b>	<b>150,203</b>	<b>64,113</b>	<b>33,801</b>	<b>248,117</b>	<b>249,320</b>	<b>100.48%</b>	<b>178,381</b>	<b>100.00%</b>	<b>178,381</b>	<b>70,939</b>	<b>39.77%</b>
<b>General Revenues</b>											
Property Tax	82,167	3,244	-	85,411	88,286	103.37%	80,694	100.00%	80,694	7,592	9.41%
Sales Tax (Note 2)	153,650	-	-	153,650	138,058	89.85%	169,217	100.00%	169,217	(31,159)	-18.41%
Transient Occupancy Tax	10,000	(2,800)	-	7,200	6,819	94.71%	10,920	100.00%	10,920	(4,101)	-37.55%
Franchise Fees	31,567	3,317	-	34,884	34,432	98.71%	29,172	100.00%	29,172	5,260	18.03%
Utility Tax	62,520	3,250	-	65,770	66,889	101.70%	67,446	100.00%	67,446	(557)	-0.83%
Licenses and Permits	66,557	(7,685)	-	58,872	59,272	100.68%	67,836	100.00%	67,836	(8,564)	-12.62%
Fines, Forfeits and Penalties	10,311	-	-	10,311	11,537	111.89%	11,329	100.00%	11,329	208	1.84%
Use of Money and Property	15,262	198	-	15,460	18,952	122.59%	22,354	100.00%	22,354	(3,402)	-15.22%
Revenue from Local Agencies	41,270	5,825	-	47,095	47,141	100.10%	38,233	100.00%	38,233	8,908	23.30%
Revenue from State of Cal.	56,524	5,183	-	61,707	60,522	98.08%	58,359	100.00%	58,359	2,163	3.71%
Revenue from Federal Government	2,381	1,774	-	4,155	3,519	84.69%	2,529	100.00%	2,529	990	39.15%
Departmental Charges (Note 1)	21,919	1,536	-	23,455	23,460	100.02%	22,933	100.00%	22,933	527	2.30%
Other Revenues	13,300	4,007	-	17,307	24,515	141.65%	15,279	100.00%	15,279	9,236	60.45%
<b>Total General Revenues</b>	<b>567,428</b>	<b>17,849</b>	<b>-</b>	<b>585,277</b>	<b>583,404</b>	<b>99.68%</b>	<b>596,301</b>	<b>100.00%</b>	<b>596,301</b>	<b>(12,897)</b>	<b>-2.16%</b>
<b>Transfers &amp; Reimbursements</b>											
Overhead Reimbursements	28,294	-	-	28,294	30,770	108.75%	26,060	100.00%	26,060	4,710	18.07%
Transfers from Other Funds	21,181	4,763	-	25,944	27,590	106.34%	22,873	100.00%	22,873	4,717	20.62%
Reimbursements for Services	17,451	1,506	-	18,957	18,912	99.76%	17,219	100.00%	17,219	1,693	9.83%
<b>Total Transfers &amp; Reimburse</b>	<b>66,926</b>	<b>6,269</b>	<b>-</b>	<b>73,195</b>	<b>77,272</b>	<b>105.57%</b>	<b>66,152</b>	<b>100.00%</b>	<b>66,152</b>	<b>11,120</b>	<b>16.81%</b>
<b>Total Sources</b>	<b>\$ 784,557</b>	<b>88,231</b>	<b>33,801</b>	<b>906,589</b>	<b>909,996</b>	<b>100.38%</b>	<b>840,834</b>	<b>100.00%</b>	<b>840,834</b>	<b>69,162</b>	<b>8.23%</b>

Note 1 - See Supplemental Schedule on Page 7

Note 2 - The current year-to-date amount includes a reduction of approximately \$13 million related to a year-end accrual reversal.



**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**EXPENDITURES**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2002**  
*( UNAUDITED )*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR	CUR YTD LESS	% CHANGE	
	FY 2001-02	BUDGET		FY 2001-02	ACTUAL	ENCUMBR	ACTUAL %	YTD	OF PRIOR	YEAR-END	YEAR-END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ACTUAL	ENCUMBR	OF BUDGET	ACTUAL(1)	YEAR-END	ACTUAL	ACTUAL	ACTUAL(1)	LESS PRIOR YTD
<b>General Government</b>													
Mayor and Council	\$ 7,135	24	77	7,236	5,691	57	78.65%	4,752	100.00%	4,752	939	19.76%	
City Attorney	10,397	990	705	12,092	10,728	1,091	88.72%	9,722	100.00%	9,722	1,006	10.35%	
City Auditor	2,302	192	12	2,506	2,260	15	90.18%	2,148	100.00%	2,148	112	5.21%	
City Clerk	1,726	31	4	1,761	1,577	4	89.55%	1,713	100.00%	1,713	(136)	-7.94%	
City Manager	6,884	445	226	7,555	6,821	241	90.28%	5,727	100.00%	5,727	1,094	19.10%	
Office of Equality Assurance	1,328	49	23	1,400	1,127	4	80.50%	925	100.00%	925	202	21.84%	
Finance	9,807	188	238	10,233	9,442	272	92.27%	8,053	100.00%	8,053	1,389	17.25%	
Information Technology	15,963	378	227	16,568	15,252	389	92.06%	13,968	100.00%	13,968	1,284	9.19%	
Human Resources	5,473	91	(44)	5,520	4,816	183	87.25%	4,676	100.00%	4,676	140	2.99%	
Redevelopment Agency	1,573	43	-	1,616	1,578	-	97.65%	1,040	100.00%	1,040	538	51.73%	
Planning Commission	37	1	1	39	38	-	97.44%	13	100.00%	13	25	192.31%	
Civil Service Commission	23	-	-	23	19	-	82.61%	19	100.00%	19	-	0.00%	
Independent Police Auditor	604	21	5	630	590	5	93.65%	639	100.00%	639	(49)	-7.67%	
Office of Economic Development	2,355	48	128	2,531	2,073	3	81.90%	1,759	100.00%	1,759	314	17.85%	
Office of Emergency Services	323	9	2	334	320	5	95.81%	304	100.00%	304	16	5.26%	
Total General Government	65,930	2,510	1,604	70,044	62,332	2,269	88.99%	55,458	100.00%	55,458	6,874	12.39%	
<b>Public Safety</b>													
Fire	91,303	12,758	1,384	105,445	103,277	713	97.94%	93,861	100.00%	93,861	9,416	10.03%	
Police	201,193	1,410	1,133	203,736	197,304	1,348	96.84%	189,415	100.00%	189,415	7,889	4.16%	
Total Public Safety	292,496	14,168	2,517	309,181	300,581	2,059	97.22%	283,276	100.00%	283,276	17,305	6.11%	
<b>Capital Maintenance</b>													
General Services	20,782	280	387	21,449	20,197	601	94.16%	18,920	100.00%	18,920	1,277	6.75%	
Transportation (Note 2)	32,695	1,918	2,208	36,821	35,075	1,293	95.26%	29,056	100.00%	29,056	6,019	20.72%	
Public Works (Note 2)	9,432	(641)	291	9,082	8,333	335	91.75%	9,294	100.00%	9,294	(961)	-10.34%	
Total Capital Maintenance	62,909	1,557	2,886	67,352	63,605	2,229	94.44%	57,270	100.00%	57,270	6,335	11.06%	

(1) Does not include encumbrance balance.

(2) Prior year actual will not be comparable to current year actual this year due to the consolidation of all transportation-related services into the Department of Transportation (DOT), which is a result of the realignment of activities within DOT and PW.

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**EXPENDITURES**  
**FOR THE 12 MONTHS ENDED JUNE 30, 2002**  
*( UNAUDITED )*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR	CUR YTD LESS	% CHANGE	
	FY 2001-02	BUDGET		FY 2001-02	ACTUAL	ENCUMBR	ACTUAL %	YTD	OF PRIOR	YEAR-END	YEAR-END	PRIOR YTD	LESS PRIOR YTD
	BUDGET	AMENDMENTS		BUDGET	ACTUAL	ENCUMBR	OF BUDGET	ACTUAL(1)	ACTUAL	ACTUAL	ACTUAL(1)	ACTUAL	
<b>Community Service</b>													
Library	20,957	690	201	21,848	21,173	365	96.91%	19,641	100.00%	19,641	1,532	7.80%	
Planning, Bldg & Code Enf.	34,440	(2,537)	1,905	33,808	30,162	812	89.22%	26,901	100.00%	26,901	3,261	12.12%	
Park, Rec & Neigh Svcs (Note 2)	59,572	3,956	2,371	65,899	59,046	3,763	89.60%	56,430	100.00%	56,430	2,616	4.64%	
Environmental Services	2,634	68	95	2,797	1,673	489	59.81%	1,803	100.00%	1,803	(130)	-7.21%	
Total Community Services	117,603	2,177	4,572	124,352	112,054	5,429	90.11%	104,775	100.00%	104,775	7,279	6.95%	
Total Dept. Expenditures	\$ 538,938	20,412	11,579	570,929	538,572	11,986	94.33%	500,779	100.00%	500,779	37,793	7.55%	
<b>Non-Dept Expenditures</b>													
City-wide Expenditures:													
Econ & Neighborhood Develop.	\$ 18,231	211	3,704	22,146	18,611	2,161	84.04%						
Environmental & Utility Services	1,825	-	37	1,862	1,340	366	71.97%						
Public Safety	10,052	765	153	10,970	7,768	315	70.81%						
Recreation & Cultural Services	30,832	3,701	3,490	38,023	24,601	3,305	64.70%						
Transportation Services	2,577	(61)	172	2,688	2,388	103	88.84%						
Strategic Support	40,672	6,391	2,392	49,455	33,356	997	67.45%						
Total City-wide Expenditures	104,189	11,008	9,948	125,144	88,064	7,247	70.37%	82,104	100.00%	82,104	5,960	7.26%	
Capital Expenditures	52,550	25,647	12,274	90,471	34,788	26,156	38.45%	16,443	100.00%	16,443	18,345	111.57%	
Transfers to Other Funds	9,492	3,113	-	12,605	12,512	-	99.26%	9,977	100.00%	9,977	2,535	25.41%	
Total Non-Dept Expenditures	166,231	39,768	22,222	228,220	135,364	33,403	59.31%	108,524	100.00%	108,524	26,840	24.73%	
<b>Reserves</b>													
Contingency Reserves	22,256	2,035	-	24,291	-	-	0.00%	20,156	0.00%	-	(20,156)	-100.00%	
Earmarked Reserves	57,132	26,017	-	83,149	-	-	0.00%	72,767	0.00%	-	(72,767)	-100.00%	
Total Reserves	79,388	28,052	-	107,440	-	-	0.00%	92,923	0.00%	-	(92,923)	-100.00%	
Total Uses	\$ 784,557	88,231	33,801	906,589	673,936	45,389	74.34%	702,226	115.25%	609,303	(28,290)	-4.03%	

(1) Does not include encumbrance balance. Also, breakout of citywide expenditures by CSA was not available in the prior fiscal year.

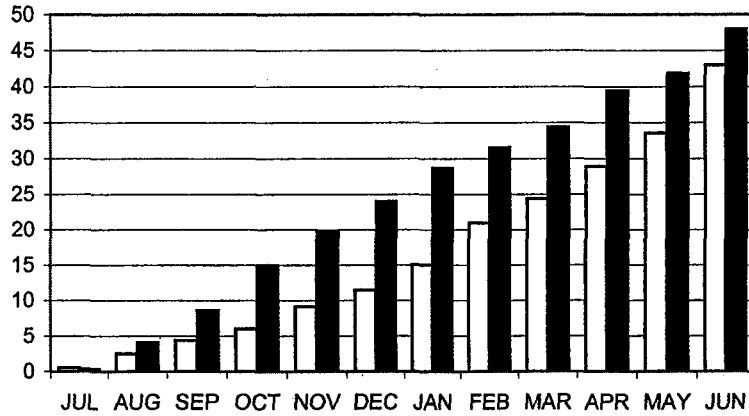
(2) Prior and current YTD actual amounts for PRNS reflect the realignment of Regional Parks from CAE to PRNS.

**CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD		REVISED	CUR-YTD	CUR YTD	PRIOR	PRIOR YTD %	PRIOR	CUR YTD LESS	% CHANGE
	FY 2001-02	BUDGET	C/O	FY 2001-02	BUDGETARY	ACTUAL %	YTD	OF PRIOR	YEAR-END	PRIOR YTD	CUR YTD ACTUAL
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	OF BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	LESS PRIOR YTD
Police	\$ 1,598	43	-	1,641	1,887	114.99%	1,701	100.00%	1,701	186	10.93%
Public Works	7,436	(970)	-	6,466	6,170	95.42%	7,505	100.00%	7,505	(1,335)	-17.79%
Transportation	1,030	-	-	1,030	1,026	99.61%	1,106	100.00%	1,106	(80)	-7.23%
Library	784	-	-	784	878	111.99%	762	100.00%	762	116	15.22%
Planning, Bldg & Code Enf	4,542	(1,105)	-	3,437	5,501	160.05%	4,684	100.00%	4,684	817	17.44%
Parks Rec & Neigh Svcs	6,310	1,344	-	7,654	7,477	97.69%	6,843	100.00%	6,843	634	9.26%
Miscellaneous Dept Charges	219	2,224	-	2,443	521	21.33%	332	100.00%	332	189	56.93%
<b>Total Departmental Revenues</b>	<b>\$ 21,919</b>	<b>1,536</b>	<b>-</b>	<b>23,455</b>	<b>23,460</b>	<b>100.02%</b>	<b>22,933</b>	<b>100.00%</b>	<b>22,933</b>	<b>527</b>	<b>2.30%</b>

**CONSTRUCTION & CONVEYANCE TAX FUNDS  
Comparison of YTD Revenues**

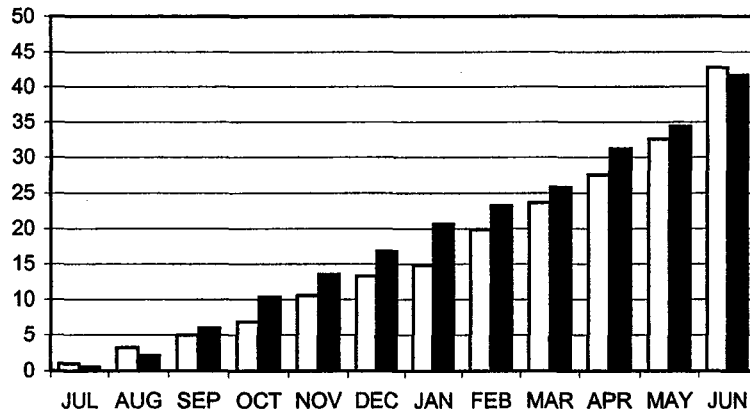
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2001-02 YTD    ■ FY 2000-01 YTD

**CONSTRUCTION & CONVEYANCE TAX FUNDS  
Comparison of YTD Expenditures**

YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2001-02 YTD    ■ FY 2000-01 YTD

**CITY OF SAN JOSE  
SPECIAL REVENUE FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
(UNAUDITED)  
(\$000's)**

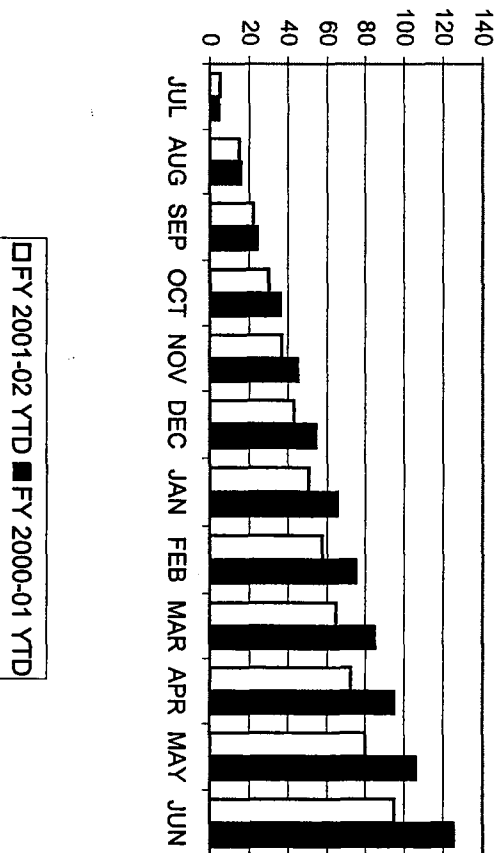
	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2001-02 BUDGET	BUDGET AMENDMENTS		FY 2001-02 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
<b>Construction/Conveyance Tax</b>							
Prior Year Encumbrance	\$ -	-	6,976	6,976	6,976	N/A	6,845
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	45,066	7,350	-	52,416	52,416	N/A	46,644
Revenues	32,076	2,663	-	34,739	42,971	N/A	48,041
<b>Total Sources</b>	<b>77,142</b>	<b>10,013</b>	<b>6,976</b>	<b>94,131</b>	<b>102,363</b>	<b>N/A</b>	<b>101,530</b>
<b>Total Uses</b>	<b>77,142</b>	<b>10,013</b>	<b>6,976</b>	<b>94,131</b>	<b>42,702</b>	<b>6,712</b>	<b>41,634</b>
<b>Gas Tax</b>							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	62	-	-	62	62	N/A	62
Revenues	17,000	1,500	-	18,500	18,500	N/A	16,900
<b>Total Sources</b>	<b>17,062</b>	<b>1,500</b>	<b>-</b>	<b>18,562</b>	<b>18,562</b>	<b>N/A</b>	<b>16,962</b>
<b>Total Uses</b>	<b>17,062</b>	<b>1,500</b>	<b>-</b>	<b>18,562</b>	<b>18,500</b>	<b>-</b>	<b>16,900</b>
<b>Building and Structures</b>							
Prior Year Encumbrance	-	-	9,480	9,480	9,480	N/A	11,223
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	31,950	14,388	-	46,338	46,338	N/A	33,509
Revenues	20,948	4,815	-	25,763	19,881	N/A	31,843
<b>Total Sources</b>	<b>52,898</b>	<b>19,203</b>	<b>9,480</b>	<b>81,581</b>	<b>75,699</b>	<b>N/A</b>	<b>76,575</b>
<b>Total Uses</b>	<b>52,898</b>	<b>19,203</b>	<b>9,480</b>	<b>81,581</b>	<b>17,517</b>	<b>12,193</b>	<b>19,507</b>
<b>Residential Construction</b>							
Prior Year Encumbrance	-	-	169	169	169	N/A	632
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	981	406	-	1,387	1,387	N/A	2,588
Revenues	282	(132)	-	150	197	N/A	364
<b>Total Sources</b>	<b>1,263</b>	<b>274</b>	<b>169</b>	<b>1,706</b>	<b>1,753</b>	<b>N/A</b>	<b>3,584</b>
<b>Total Uses</b>	<b>\$ 1,263</b>	<b>274</b>	<b>169</b>	<b>1,706</b>	<b>979</b>	<b>-</b>	<b>2,023</b>

**CITY OF SAN JOSE  
SPECIAL REVENUE FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2001-02 BUDGET	BUDGET AMENDMENTS		FY 2001-02 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
<b>Transient Occupancy Tax</b>							
Prior Year Encumbrance	\$ -	-	30	30	30	N/A	103
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	3,736	2,033	-	5,769	5,769	N/A	2,698
Revenues	14,995	(3,670)	-	11,325	10,427	N/A	16,687
<b>Total Sources</b>	<b>18,731</b>	<b>(1,637)</b>	<b>30</b>	<b>17,124</b>	<b>16,226</b>	<b>N/A</b>	<b>19,488</b>
<b>Total Uses</b>	<b>18,731</b>	<b>(1,637)</b>	<b>30</b>	<b>17,124</b>	<b>14,522</b>	<b>233</b>	<b>13,635</b>
<b>Conventions, Arts &amp; Enter</b>							
Prior Year Encumbrance	-	-	188	188	188	N/A	532
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	4,122	2,159	-	6,281	6,281	N/A	4,055
Revenues	20,591	(3,015)	-	17,576	18,033	N/A	19,324
<b>Total Sources</b>	<b>24,713</b>	<b>(856)</b>	<b>188</b>	<b>24,045</b>	<b>24,502</b>	<b>N/A</b>	<b>23,911</b>
<b>Total Uses</b>	<b>24,713</b>	<b>(856)</b>	<b>188</b>	<b>24,045</b>	<b>18,273</b>	<b>490</b>	<b>17,179</b>
<b>Golf</b>							
Prior Year Encumbrance	-	-	4,495	4,495	4,495	N/A	129
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	1,730	(186)	-	1,544	1,544	N/A	240
Revenues	215	-	-	215	1,020	N/A	19,090
<b>Total Sources</b>	<b>1,945</b>	<b>(186)</b>	<b>4,495</b>	<b>6,254</b>	<b>7,059</b>	<b>N/A</b>	<b>19,459</b>
<b>Total Uses</b>	<b>1,945</b>	<b>(186)</b>	<b>4,495</b>	<b>6,254</b>	<b>5,716</b>	<b>74</b>	<b>13,133</b>
<b>Other Funds</b>							
Prior Year Encumbrance	-	-	45,172	45,172	45,172	N/A	22,061
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	100,022	8,677	-	108,699	108,699	N/A	103,220
Revenues	419,745	7,969	-	427,714	314,043	N/A	309,271
<b>Total Sources</b>	<b>519,767</b>	<b>16,646</b>	<b>45,172</b>	<b>581,585</b>	<b>467,914</b>	<b>N/A</b>	<b>434,552</b>
<b>Total Uses</b>	<b>\$ 519,767</b>	<b>16,646</b>	<b>45,172</b>	<b>581,585</b>	<b>357,484</b>	<b>42,387</b>	<b>281,363</b>

**AIRPORT REVENUE FUND 521**  
**Comparison of YTD Revenues**

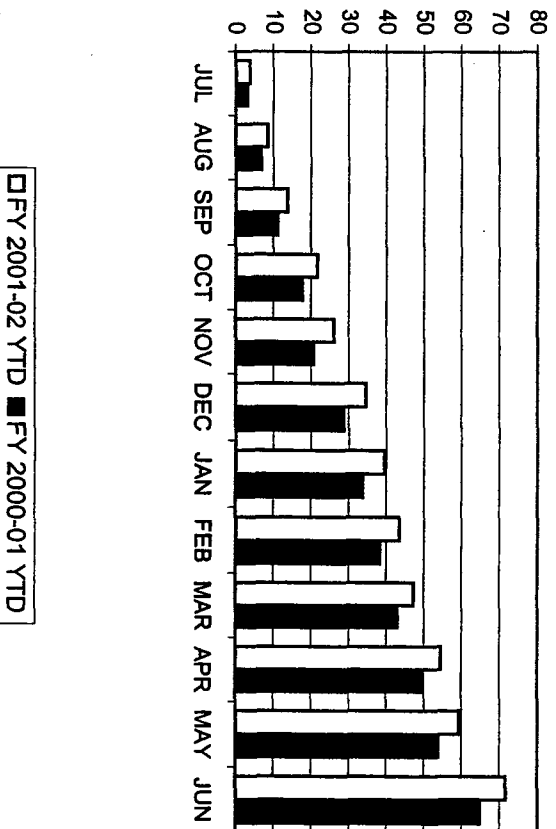
**YEAR-TO-DATE REVENUES (MILLIONS)**



□ FY 2001-02 YTD ■ FY 2000-01 YTD

**AIRPORT MAINTENANCE & OPERATING FUND 523**  
**Comparison of YTD Expenditures**

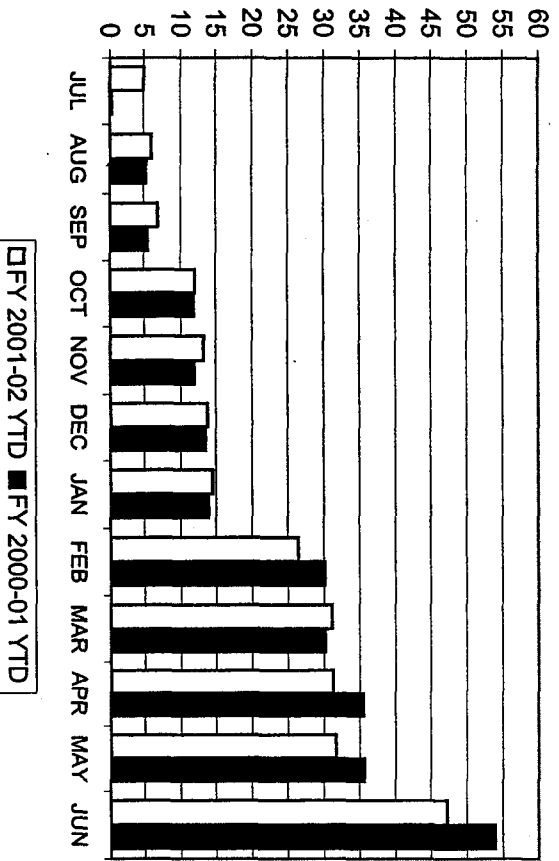
**YEAR-TO-DATE EXPENDITURES (MILLIONS)**



□ FY 2001-02 YTD ■ FY 2000-01 YTD

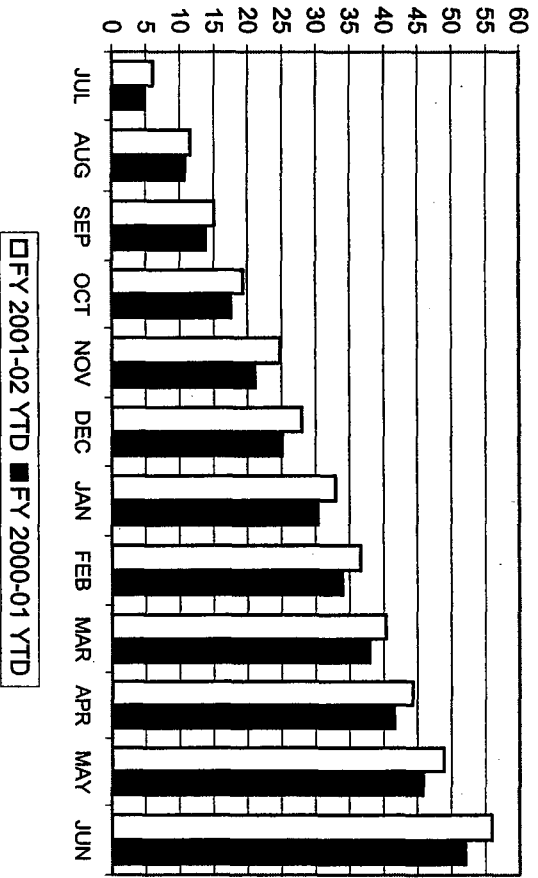
**WPCP OPERATING FUND 513**  
**Comparison of YTD Revenues**

**YEAR-TO-DATE REVENUES (MILLIONS)**



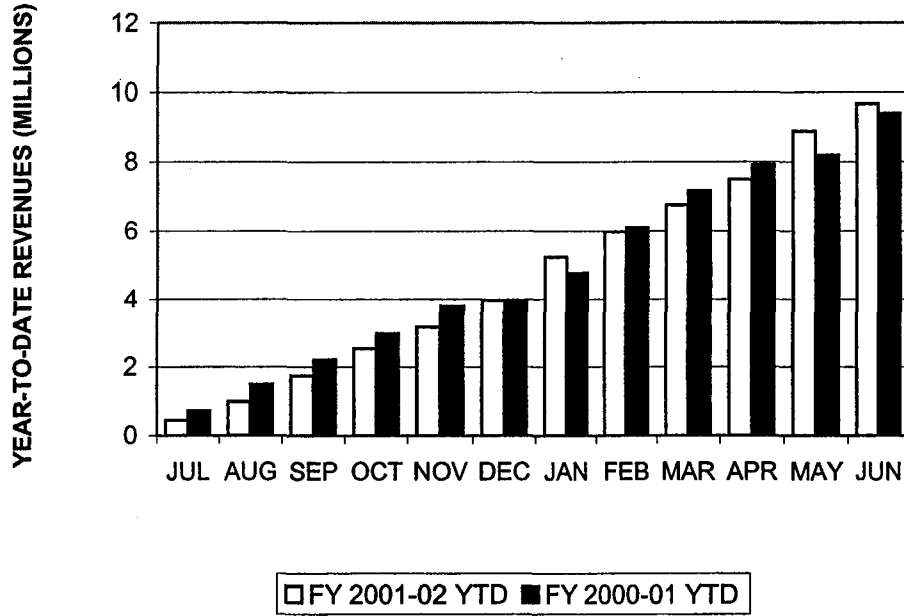
**WPCP OPERATING FUND 513**  
**Comparison of YTD Expenditures**

**YEAR-TO-DATE EXPENDITURES (MILLIONS)**

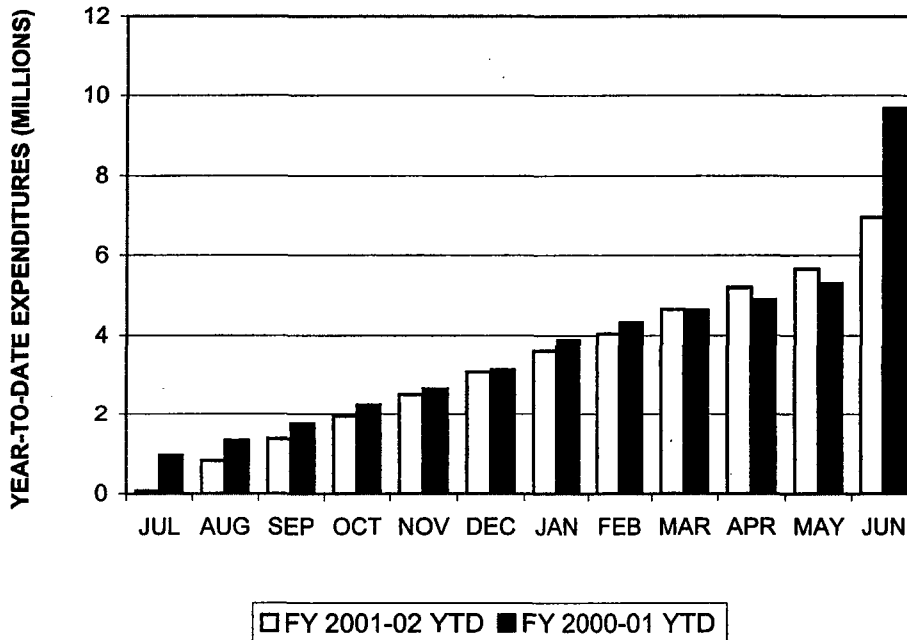




**PARKING OPERATING FUND 533  
Comparison of YTD Revenues**



**PARKING OPERATING FUND 533  
Comparison of YTD Expenditures**



**CITY OF SAN JOSE  
ENTERPRISE FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2001-02	BUDGET		FY 2001-02	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Airport</b>							
Prior Year Encumbrance	\$ -	-	58,059	58,059	58,059	N/A	81,627
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	96,308	35,037	-	131,345	131,345	N/A	110,513
Revenues	519,563	94,676	-	614,239	394,713	N/A	389,679
<b>Total Sources</b>	<b>615,871</b>	<b>129,713</b>	<b>58,059</b>	<b>803,643</b>	<b>584,117</b>	<b>N/A</b>	<b>581,819</b>
<b>Total Uses</b>	<b>615,871</b>	<b>129,713</b>	<b>58,059</b>	<b>803,643</b>	<b>341,021</b>	<b>55,663</b>	<b>352,858</b>
<b>Waste Water Treatment</b>							
Prior Year Encumbrance	-	-	68,221	68,221	68,221	N/A	44,789
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	263,415	12,428	-	275,843	275,843	N/A	298,569
Revenues	177,895	(10,562)	-	167,333	165,032	N/A	183,526
<b>Total Sources</b>	<b>441,310</b>	<b>1,866</b>	<b>68,221</b>	<b>511,397</b>	<b>509,096</b>	<b>N/A</b>	<b>526,884</b>
<b>Total Uses</b>	<b>441,310</b>	<b>1,866</b>	<b>68,221</b>	<b>511,397</b>	<b>199,998</b>	<b>56,314</b>	<b>173,927</b>
<b>Municipal Water</b>							
Prior Year Encumbrance	-	-	1,629	1,629	1,629	N/A	967
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	14,511	5,482	-	19,993	19,993	N/A	14,022
Revenues	19,165	795	-	19,960	19,112	N/A	23,580
<b>Total Sources</b>	<b>33,676</b>	<b>6,277</b>	<b>1,629</b>	<b>41,582</b>	<b>40,734</b>	<b>N/A</b>	<b>38,569</b>
<b>Total Uses</b>	<b>33,676</b>	<b>6,277</b>	<b>1,629</b>	<b>41,582</b>	<b>19,067</b>	<b>2,040</b>	<b>20,663</b>
<b>Parking</b>							
Prior Year Encumbrance	-	-	1,255	1,255	1,255	N/A	1,347
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	13,355	(2,726)	-	10,629	10,629	N/A	11,074
Revenues	9,254	2,916	-	12,170	9,675	N/A	9,409
<b>Total Sources</b>	<b>22,609</b>	<b>190</b>	<b>1,255</b>	<b>24,054</b>	<b>21,559</b>	<b>N/A</b>	<b>21,830</b>
<b>Total Uses</b>	<b>\$ 22,609</b>	<b>190</b>	<b>1,255</b>	<b>24,054</b>	<b>6,958</b>	<b>1,301</b>	<b>9,673</b>

**CITY OF SAN JOSE  
CAPITAL PROJECT FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
(UNAUDITED)  
(\$'000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2001-02	BUDGET		FY 2001-02	ACTUAL	ENCUMBER	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBER	BUDGET	ACTUAL	ENCUMBER	ACTUAL
<b>Construction Excise</b>							
Prior Year Encumbrance	\$ -	-	10,938	10,938	10,938	N/A	8,928
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	15,787	3,130	-	18,917	18,917	N/A	18,080
Revenues	77,730	(30,685)	-	47,045	42,673	N/A	43,740
<b>Total Sources</b>	<b>93,517</b>	<b>(27,555)</b>	<b>10,938</b>	<b>76,900</b>	<b>72,528</b>	<b>N/A</b>	<b>70,748</b>
<b>Total Uses</b>	<b>93,517</b>	<b>(27,555)</b>	<b>10,938</b>	<b>76,900</b>	<b>44,859</b>	<b>10,084</b>	<b>38,358</b>
<b>Community Facilities Constr</b>							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	-	-	-	-	-	N/A	-
Revenues	-	-	-	-	8	N/A	12
<b>Total Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>N/A</b>	<b>12</b>
<b>Total Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Redevelopment Projects</b>							
Prior Year Encumbrance	-	-	4,335	4,335	4,335	N/A	5,777
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	4,797	5,322	-	10,119	10,119	N/A	7,942
Revenues	500	9,768	-	10,268	14,099	N/A	15,989
<b>Total Sources</b>	<b>5,297</b>	<b>15,090</b>	<b>4,335</b>	<b>24,722</b>	<b>28,553</b>	<b>N/A</b>	<b>29,708</b>
<b>Total Uses</b>	<b>5,297</b>	<b>15,080</b>	<b>4,345</b>	<b>24,722</b>	<b>10,500</b>	<b>4,806</b>	<b>9,389</b>
<b>Central Svc Yard Acq.</b>							
Prior Year Encumbrance	-	-	-	-	-	N/A	25
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	200	42	-	242	242	N/A	308
Revenues	10,000	-	-	10,000	6	N/A	24
<b>Total Sources</b>	<b>10,200</b>	<b>42</b>	<b>-</b>	<b>10,242</b>	<b>248</b>	<b>N/A</b>	<b>357</b>
<b>Total Uses</b>	<b>10,200</b>	<b>42</b>	<b>-</b>	<b>10,242</b>	<b>(1)</b>	<b>-</b>	<b>123</b>
<b>Other</b>							
Prior Year Encumbrance	-	-	8,235	8,235	8,235	N/A	2,060
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	76,853	33,153	-	110,006	110,006	N/A	19,697
Revenues	248,508	352	-	248,860	4,080	N/A	134,781
<b>Total Sources</b>	<b>325,361</b>	<b>33,506</b>	<b>8,235</b>	<b>367,102</b>	<b>122,321</b>	<b>N/A</b>	<b>156,538</b>
<b>Total Uses</b>	<b>\$ 325,361</b>	<b>33,506</b>	<b>8,235</b>	<b>367,102</b>	<b>41,014</b>	<b>36,307</b>	<b>18,074</b>

**CITY OF SAN JOSE  
OTHER FUND TYPES  
SOURCE AND USE OF FUNDS  
FOR THE 12 MONTHS ENDED JUNE 30, 2002  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2001-02	BUDGET		FY 2001-02	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Trust and Agency</b>							
Prior Year Encumbrance	\$ -	-	278	278	278	N/A	190
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	2,769	(816)	-	1,953	1,953	N/A	1,947
Revenues	6,981	46	-	7,027	6,427	N/A	6,528
<b>Total Sources</b>	<u>9,750</u>	<u>(770)</u>	<u>278</u>	<u>9,258</u>	<u>8,658</u>	<u>N/A</u>	<u>8,665</u>
<b>Total Uses</b>	<u>\$ 9,750</u>	<u>(770)</u>	<u>278</u>	<u>9,258</u>	<u>5,264</u>	<u>132</u>	<u>6,116</u>

**2001-2002**

**ANNUAL  
REPORT**

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**APPENDIX**

# THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## MEMORANDUM

TO: MARGARET MCCAHAN PRINCIPAL BUDGET ANALYST	FROM: JENNIFER SCOTT PROJECT MANAGEMENT
SUBJECT: SEE BELOW	DATE: September 04, 2002
APPROVED:	DATE:

SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED  
TO THE CITY FOR PUBLIC IMPROVEMENT PROJECT

The Agency has transferred \$153,400 to fund Department of Public Works staff to design and construct the conversion of existing overhead fed streetlights to an underground fed system.

Before these funds can be spent by the City, the City Council must make certain determinations under Redevelopment Law, H & S Code Section 33445, regarding the benefit to the project areas. A brief summary for the public improvement project is provided below.

1. The Washington Neighborhood is in the Strong Neighborhood Initiative Redevelopment Area. The Washington Neighborhood Improvement Plan was approved by City Council on January 22, 2002. The Washington Area Community Coalition identified a variety of issues to focus on including streetlights, traffic calming, open space and enhancements to Alma Senior and Teen Centers, and building reuse opportunities at Oak and First Streets.
2. Undergrounding the overhead utility lines in the Washington Neighborhood will remove the overhead, unorganized utility line services of three separate companies (PG&E, Pac Bell, and AT&T Cable Services). Many of the utility poles are deteriorated and in badly need of replacement. There are multiple service drops to individual homes originating from different directions, which contribute to the visual blight of the neighborhood.
3. This project, located on Oak and Edwards Streets, will be undergrounding an overhead to underground utility conversion, Rule 20B. PG&E will design and construct the Rule 20B and the service connection for the future

September 04, 2002

underground streetlights. Public Works' services for this project consist of the design and construction of the streetlights. DPW staff shall complete the design for the underground streetlight system, complete construction documents sufficient to bid and award a construction contract, and administer the construction of the designed installation on Oak and Edwards Streets. DPW will also coordinate with PG&E in terms of design, scheduling and construction.

4. The Strong Neighborhoods Initiative Implementation Plan, adopted by the Agency Board on June 11, 2002, describes specific goals and objectives of the San Jose Redevelopment Agency. Includes in this Five-Year Plan is the following:

#### **Infrastructure Improvements**

Infrastructure improvements cover a variety of public works projects ranging from correcting utilities, traffic capacity projects and new streets, undergrounding overhead transmission lines, storm drainage and sanitary sewers, bridges and under or overcrossings, flood control improvements, creek stabilization and enhancements, freeway noise walls, and many other assorted capital projects.

Blighting conditions addressed and how the program will eliminate blight: Implementation of a infrastructure improvement programs will reduce the blighting conditions noted in Table 1. Improvements to the public infrastructure system will provide an environment to stimulate revitalization and growth in the Project Area. The ability of an area to attract new investors and to encourage existing businesses and property owners to maintain and reinvest in their properties depends not just on the quality of the surrounding buildings but on the quality of the infrastructure serving the building stock.

5. The City budget does not include any funding for this project.

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of

DETERMINATIONS REGARDING FUNDS  
TRANSFERRED TO THE CITY FOR PUBLIC  
IMPROVEMENT PROJECT

Page 3

September 04, 2002

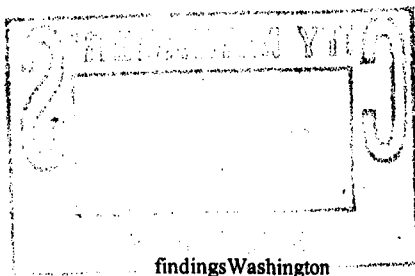
Appropriation Ordinance and Funding Sources Resolution Amendments to the  
City-side Redevelopment Fund.



JENNIFER SCOTT  
Assistant Project Manager

Attachment

Cc: David Baum  
Bill Ekern  
Bob Ruff  
Justina Hsu





# THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## MEMORANDUM

TO: MARGARET MCCAHAN PRINCIPAL BUDGET ANALYST	FROM: LINDSEY FONICK MANAGER
SUBJECT: SEE BELOW	DATE: September 04, 2002 <del>MARCH 15, 2002</del>
APPROVED:	DATE:

**SUBJECT: DETERMINATIONS REGARDING FUNDS TRANSFERRED TO THE CITY FOR PUBLIC IMPROVEMENT PROJECT**

The Agency has transferred \$228,000 to fund Department of Public Works staff to design a median island project for the Winchester Boulevard SNI area.

Before these funds can be spent by the City, the City Council must make certain determinations under Redevelopment Law, H & S Code Section 33445, regarding the benefit to the project areas. A brief summary for the public improvement project is provided below.

1. The Winchester Boulevard Median Island Improvement project includes the construction of new landscaped and irrigated median islands on Winchester Boulevard from Moorpark Avenue to the San Jose City limit north of Hamilton Avenue. All work is within the SNI redevelopment area.
2. This project is not currently included in the City's Capital Budget.
3. These improvements will enhance the area for vehicular circulation, encourage new development and private investment, upgrade the area's appearance, and provide a more attractive entry into commercial corridor and the surrounding neighborhood. These improvements are one of the priority items listed in the Winchester Boulevard Revitalization Plan.
4. The implementation plan for the SNI redevelopment area calls for streetscape and infrastructure improvements, including median improvements, landscaping, and improved vehicular circulation to enhance both commercial and residential neighborhoods.

September 04, 2002

**DETERMINATIONS REGARDING FUNDS  
TRANSFERRED TO THE CITY FOR PUBLIC  
IMPROVEMENT PROJECT**

Please proceed to incorporate the necessary findings for the public project identified above into a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



Lindsey Fonick  
Manager

Attachment

cc: David Baum  
Abraham M. Andrade, Jr.  
Patty Deignan