

ANNUAL REPORT

SEPTEMBER 2003
OFFICE OF THE CITY MANAGER

2002-2003 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 2002-2003 year-end closing figures as of June 30, 2003.

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LETTER OF TRANSMITTAL

September 30, 2003

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 2002-2003 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.

This Annual Report document is organized into the following three sections: (1) Letter of Transmittal, (2) General Fund Performance, and (3) Other Fund Performance. The report also includes a number of recommended actions revising both the 2003-2004 Adopted Operating and Capital budgets. These actions also generally fall into three categories: (1) the rebudgeting of prior year funds for projects not completed last year; (2) the reconciliation of budgeted Beginning Fund Balance amounts in various funds, including the General Fund, with the actual results; and (3) actions to revise the 2003-2004 budget to reflect more up to date information.

This Letter of Transmittal is intended to provide the Council with: an overview of the 2002-2003 General Fund financial performance; an analysis of the potential impact of that performance on the current year budget, including recommendations for revisions to the 2003-2004 Adopted Budget; and a discussion of the financial status of selected other City funds.

RECOMMENDATION

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.
- Position addition and deletion actions in the Finance and Fire Departments, and in the Office of Economic Development also described in Section III of this document.

OVERVIEW

In summary, our review of the 2002-2003 year-end fiscal reports confirms that, in spite of the continuing problems which plague the local economy, the City of San José remains in relatively

OVERVIEW (CONT'D.)

strong financial condition. We clearly face significant continuing budget challenges both this year and next; but we can be proud of the fact that through implementation of an aggressive cost control strategy the City has been able to effectively manage through a sharper and longer lasting drop in our revenue base than anyone could have anticipated.

The 2002-2003 fiscal year represented the second consecutive year that City revenues were battered by the impact of a lingering, stagnant local economy. The falloff came abruptly, and followed five years of strong performance, culminating in booking record revenue collections in the 2000-2001 fiscal year. In 2002-2003, General Fund revenues were down by \$17.2 million or 2.6% from a prior year that was itself a very weak one. The City's economically sensitive revenues were most affected, as would be expected. This included Sales Tax, Transient Occupancy Tax, a portion of the City's development-related revenue (Fire and Public Works), and business-driven taxes such as Telephone Utility and Commercial Solid Waste fees. The travel industry also remains in trouble, with Airport and hotel activity still at reportedly low levels, and with no sign of a significant recovery in sight.

In the General Fund, we remained in balance through a combination of aggressive cost containment strategies, actual budget reductions and prudent revenue estimating. On the cost side of the equation, the hiring freeze begun in late 2001 continued to be imposed throughout the 2002-2003 fiscal year. Cost/Position Management plans were once again required from all departments, resulting in mid-year budget reductions totaling \$7.6 million in the General Fund. In addition, as a result of the Council approval of the Mayor's Budget Control Strategy last February, additional controls were placed on a number of additional non-essential expenditures categories, including those related to overtime, travel, marketing, and large equipment purchases. In March, 10 capital projects were decreased by \$3.859 million and transferred to the Reserve for 2003-2004 Deficit. Finally, 29 additional General Fund capital projects with a total value of \$9.6 million were put on hold.

On the revenue budget side, receipts were closely monitored and reported to Council through the Monthly Financial Reporting process, and recommendations to adjust estimates downward were brought to Council as soon as it appeared necessary. Significant downward adjustments were approved in October (\$16.2 million) and February (\$11.1 million), along with offsetting budget balancing measures. As a result of the active management of our revenue budget, revenue collections in the General Fund in 2002-2003 ended the year within 0.2% of the budgeted estimate, an impressive accomplishment. Due to the success of these cost and revenue strategies, the General Fund ended the year with a fund balance surplus of \$18.9 million, the components of which are explained in greater detail later in this transmittal.

Although we have successfully managed through a second year in this weak fiscal environment, and ended it in a solid financial position, there has been a cost. Due to both the specific budget reductions and the cost containment controls imposed, there has been an undeniable erosion of services in a number of areas. Many of those reductions have not been formally acknowledged

OVERVIEW (CONT'D.)

in that they are the inevitable result of accumulated vacancies, lack of supply budgets and overtaxed staff. We should not anticipate any early improvement. Despite talk of a national economic recovery, there is little sign of improvement in this valley. Jobs remain the key indicator in our opinion, and year-end employment indicators for Santa Clara County offered no substantive signs of relief. June's unemployment rate was at 8.6%, the same rate as the prior year and notably higher than 2000-2001 (4.4%). Reports on the actual number of jobs paints an even more depressing picture. The number of jobs continued to decline through the majority of the year. Similarly, fourth quarter (March through June activity) General Sales Tax performance continued to be anemic, with a decline of 1.4%. This was particularly noteworthy as it represented the ninth consecutive, quarterly decline in Sales Tax collections, and the drop was from a particularly poor prior year quarter that had itself been down by 16.7% from the 2000-2001 level.

We continue to believe that we need to plan on a continuation of the current economic conditions for at least the remainder of this fiscal year, and all of the next. Accordingly, and in keeping with Council policy, contained in this report is a recommendation to use all of the surplus General Fund fund balance monies left after rebudgeting and clean-up actions (\$7.3 million) to establish a Reserve for addressing the 2004-2005 Budget Deficit.

2002-2003 GENERAL FUND PERFORMANCE OVERVIEW

An analysis of final 2002-2003 year-end financial data indicates that the City ended the year very close to what was projected and within budget. General Fund revenue collections were only slightly (\$1.3 million) above the estimate used to develop the 2003-2004 budget. Even with the mid-year actions removing savings from departments which resulted from the Cost/Position Management Plans, cumulative departmental expenditures still ended the year below the budgeted level (2.2% or \$13.1 million). Much of these savings can be attributed to the general freeze on expenditures related to travel, overtime, large equipment purchases, etc, as well as the continuation of the City-wide hiring freeze. As a result of this performance, the 2002-2003 General Fund Ending Fund Balance of \$159.6 million was approximately \$18.9 million above the Fund Balance level estimate approved as part of the 2003-2004 Adopted Budget.

2002-2003 GENERAL FUND PERFORMANCE OVERVIEW (CONT'D.)

Table 1 (below) describes the four principal components of the \$18.9 million fund balance surplus. The surplus amount was composed of a slightly higher beginning fund balance (\$20,000), \$2.7 million in higher than anticipated liquidation of carryover encumbrances, \$1.3 million in excess revenue collections, and \$14.9 million in additional expenditures/transfers savings. A portion of these savings are recommended to be reinvested as a part of this report: \$11.4 million to be rebudgeted to complete various projects, and/or clean-up problems discovered since the approval of the budget; \$932,000 in Development Program fee proceeds which need to be placed in the existing Fee Program reserves as a result of the year-end reconciliation process comparing revenues and expenditures; and \$558,000 for required adjustments discussed in greater detail later in this transmittal.

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</i> | | | | | |
| <i>Fund Balance</i> | 232,187 | 232,187 | 232,207 | 20 | 20 |
| <i>Liquidation of Carry-</i> | | | | | |
| <i>over Encumbrances</i> | - | 1,200 | 3,853 | 3,853 | 2,653 |
| <i>Revenue</i> | 639,209 | 642,209 | 643,514 | 4,305 | 1,305 |
| <i>Totals</i> | <u>871,396</u> | <u>875,596</u> | <u>879,574</u> | <u>8,178</u> | <u>3,978</u> |
| <i>Uses</i> | | | | | |
| <i>Expenditures</i> | 767,899 | 727,031 | 713,305 | 54,594 | 13,726 |
| <i>Transfers</i> | 6,831 | 6,831 | 6,696 | 135 | 135 |
| <i>Reserves</i> | 96,666 | 1,058 | - | 96,666 | 1,058 |
| <i>Totals</i> | <u>871,396</u> | <u>734,920</u> | <u>720,001</u> | <u>151,395</u> | <u>14,919</u> |
| <i>Available Ending</i> | | | | | |
| <i>Fund Balance</i> | <u>N/A</u> | <u>140,676</u> | <u>159,573</u> | <u>159,573</u> | <u>18,897</u> |

2002-2003 GENERAL FUND PERFORMANCE OVERVIEW (CONT'D.)

Table 2 below compares the City's financial performance in 2002-2003, with the financial performance of the prior year (2001-2002).

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

| | 2001-2002 | 2002-2003 | Change | % Change |
|--------------------------------------|--------------|--------------|---------------|----------|
| Sources | | | | |
| <i>Beginning Fund Balance</i> | 249.3 | 236.1 | (13.2) | (5.3%) |
| <i>Revenue</i> | 660.7 | 643.5 | (17.2) | (2.6%) |
| <i>Total Source</i> | <u>910.0</u> | <u>879.6</u> | <u>(30.4)</u> | (3.3%) |
| Uses | | | | |
| <i>Expenditures</i> | 706.8 | 713.3 | 6.5 | 0.9% |
| <i>Transfers</i> | 12.5 | 6.7 | (5.8) | (46.4%) |
| <i>Total Use</i> | <u>719.3</u> | <u>720.0</u> | <u>0.7</u> | 0.1% |
| <i>Available Ending Fund Balance</i> | <u>190.7</u> | <u>159.6</u> | <u>(31.1)</u> | (16.3%) |

As shown in Table 2, 2002-2003 General Fund revenues of \$643.5 million represented a decline (down 2.6% or \$17.2 million) from the prior year's collection level. The level of decline from the prior year reflected the combined performance of General Fund Revenue categories. Decreases from the prior year level were experienced in a number of sources: Sales Tax, down 7.7%; Transient Occupancy Tax, down 14.9%; Franchise Fees, down 6.8%; Utility Tax, down 1.7%; Use of Money and Property, down 36.8%; Revenue from Local Agencies, down 8.8%; Revenue from the Federal Government, down 34.9%; Departmental Charges, down 2.6%; and Other Revenue, down 50.5%. These declines were partially offset by higher receipts in the remaining revenue categories: Property Tax; Licenses and Permits; Fines, Forfeitures, and Penalties; Revenue from the State of California; and Transfers and Reimbursements. The overall performance represents the second consecutive year that General Fund revenue collections experienced a decline. This has not happened in over a decade.

In contrast, General Fund expenditures of \$720.0 million remained approximately flat when compared to the prior year expenditure level of \$719.3. However, it is worth noting where the fluctuations in actual expenditure growth occurred compared to the prior year. As reflected in the following table, the greatest level of expenditure growth was in Personal Services with an increase of 6.8%, followed by City-Wide Expenses at 2.7%. All other expenditure categories experienced declines.

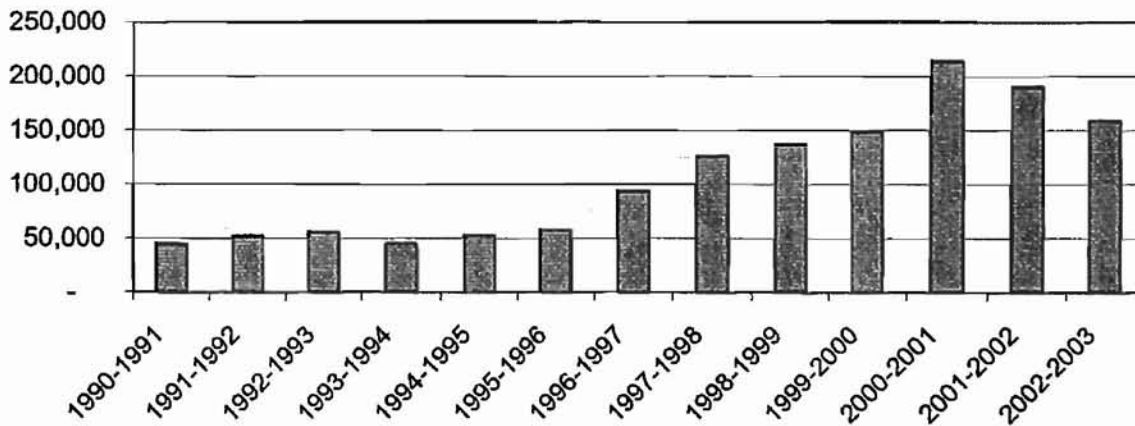
2002-2003 GENERAL FUND PERFORMANCE OVERVIEW (CONT'D.)

**Table 2.1
 General Fund
 Comparison of Year-End Actuals With Prior Year By Expenditure Category
 (\$000's)**

| Category | 2002-2003 Actual | 2001-2002 Actual | Variance | % Variance |
|-------------------------------------|---------------------|---------------------|------------|-------------|
| <i>Personal Services</i> | 482,307 | 449,745 | 32,562 | 7.2% |
| <i>Non-Personal/Equipment/Other</i> | 89,627 | 100,811 | (11,184) | (11.1%) |
| <i>City-Wide Expenses</i> | 97,932 | 95,311 | 2,621 | 2.7% |
| <i>Capital Contributions</i> | 43,439 | 60,944 | (17,505) | (28.7%) |
| <i>Transfers</i> | 6,696 | 12,512 | (5,816) | (46.5%) |
| <i>Reserves</i> | - | - | - | N/A |
| TOTAL GENERAL FUND | 720,001 | 719,325 | 677 | 0.1% |

Although the year ended with fund balance higher than budgeted, it should also be noted that in 2002-2003, the City, as planned, maintained a balanced budget in the General Fund in part by spending down a portion of it's accumulated fund balance. As a result, compared to the Available Ending Fund Balance of 2001-2002 (\$190.7 million), the City's 2002-2003 year-end Available Ending Fund Balance (\$159.6 million) was down by \$31.1 million. As seen in the chart below, this was only the second net annual decrease in the size of the General Fund's ending fund balance in nine years, and only the third year to year decrease in a decade.

**General Fund
 Fund Balance History**



ANALYSIS OF 2002-2003 GENERAL FUND OPERATIONS

The following is a summary discussion by category of how the various components of the General Fund budget performed in 2002-2003. 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 \$8.2 million (0.93%) above the 2002-2003 final Modified Budget level, and \$4.0 million (0.46%) above the estimate used to develop the 2003-2004 Adopted Budget's beginning fund balance component.

Total General Fund revenue collections of \$643.5 million ended the year less than one percent (0.7% or \$4.3 million) above the 2002-2003 Modified Budget level. As described above, this performance was the cumulative result of a number of higher and lower than budgeted revenue source performances. A net adjustment of approximately \$932,000 to Development 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 of \$913,000 is recommended for placement in the Planning and Building Fee Program Reserves; and \$283,000 is recommended for placement in the Public Works Fee Program Reserve. This is partially offset by a downward adjustment of approximately \$264,000 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 \$151.4 million under (down 17.4%) the 2002-2003 modified budget level, and \$14.9 million below (down 2.0%) the estimate used to formulate the 2003-2004 Adopted Budget's beginning fund balance component. Most of the savings total, approximately \$136.5 million, was previously estimated to be available by year-end as part of the beginning fund balance estimate that was included in the 2002-2003 Adopted Operating Budget. The net additional savings in this category was \$14.9 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, including reserves, net savings of approximately \$7.3 million was realized, primarily from personal services, non-personal/equipment, and capital savings.

ANALYSIS OF 2002-2003 GENERAL FUND OPERATIONS (CONT'D.)

Uses of Funds (Cont'd.)

The 2002-2003 General Fund Contingency Reserve ended the year at \$23.7 million. This was 2.5% below (down \$596,000) the 2001-2002 year-end level of \$24.3 million, but met the Council policy goal of being 3.0% 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 can sometimes drop below 3.0% if significant additions 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.

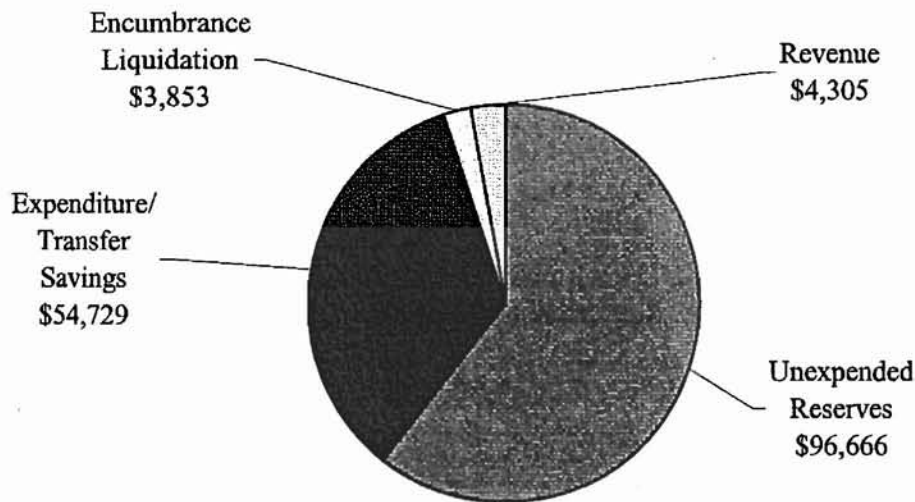
When the 2003-2004 Operating Budget was developed, it was assumed that the 2002-2003 ending fund balance would total approximately \$140.7 million. As discussed earlier, the actual ending fund balance of \$159.6 million was \$18.9 million above the budgeted level, but at the same time was also \$31.1 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.

The components of the 2002-2003 General Fund Ending Fund Balance are described below:

ANALYSIS OF 2002-2003 GENERAL FUND OPERATIONS (CONT'D.)

Ending Fund Balance (Cont'd.)

**2002-2003 General Fund
Ending Fund Balance Components
Total: \$159.6 million
(\$000's)**



- The largest component of the Ending Balance, unexpended reserves, totaled \$96.7 million, of which \$84.0 million was rebudgeted to 2003-2004. The remainder represented several earmarked reserves, the most significant of which were the following: Contingency Reserve (\$23.7 million); Reserve for Uneconomic Uncertainty (\$15.8 million); Workers' Compensation Reserve (\$15.0 million); Reserve for 2003-2004 Deficit (\$14.8 million); the Salaries and Benefits Reserve (\$9.3 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$6.8 million); Enhance Park Maintenance Reserve (\$2.3 million); and the E-Government Applications Reserve (\$1.9 million). As part of the rebalancing strategy approved by City Council September 9, 2003, a portion (\$261,000) was used. Additional reserve rebudgets of \$931,000 are recommended as a part of this report.
- Expenditure/Transfer savings totaled \$54.7 million. A large portion of these savings (\$28.9 million), were rebudgeted as part of the 2003-2004 Adopted Budget for completion of 2002-2003 programs. Additional expenditure/transfer rebudgets and technical adjustments totaling \$10.4 million are recommended as part of this report.
- The total excess sources of funding (revenue plus fund balance) were \$4.3 million. A portion of the variance (\$20,000) is due to Sidewalk Repair Program carryover encumbrance from prior years when the Sidewalk Repair Fund was included in the General Fund for governmental accounting purposes only and not a part of the General Fund reconciliation

ANALYSIS OF 2002-2003 GENERAL FUND OPERATIONS (CONT'D.)

Ending Fund Balance (Cont'd.)

since it was budgeted separately. The remainder reflects additional revenue received beyond the budgeted estimate.

- The final component of the Ending Fund Balance is the value of the liquidation of carryover encumbrances, which in 2002-2003 totaled \$3.9 million. Actual liquidations ended the year above the \$1.2 million level assumed in the 2003-2004 Adopted Budget.

IMPACTS ON THE 2003-2004 ADOPTED BUDGET

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 2003-2004 Adopted Budget by \$18.9 million. Including Earmarked Reserves, a total of \$11.3 million of this amount is recommended to be rebudget and/or utilized to correct problems discovered with the adopted budget (described in more detail below). This leaves \$7.3 million recommended to be allocated to a Reserve for the 2004-2005 Budget Deficit. The following chart details the recommendation for use of the \$18.9 million additional fund balance:

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

| | |
|---|------------------|
| Fund Balance Variance | \$ 18,897 |
| Previous City Council Rebalancing Action 9/09/03 | 261 |
| Changes to Fee Reserves | 932 |
| Required/Recommended Current Year Adjustments | 558 |
| Rebudgets/Technical Adjustments | 9,805 |
| Reserve for 2004-2005 Deficit | <u>7,341</u> |
| Fund Balance After Recommended Adjustments | \$ 0 |

- **Rebalancing Action (\$261,000)** – As part of the rebalancing strategy approved by City Council on September 9, 2003, this funding transferred to the General Fund to reimburse it for 2002-2003 Phase I Service Yard Expansion project debt service costs.
- **Changes to Fee Reserves (\$932,000)** – Consistent with the budget policy enacted five years ago, a net \$932,000 is recommended to be added to the Development Program fee reserves (Building, Planning, and Public Works), preserving all expenditure savings and/or revenue excess in these programs.

IMPACTS ON THE 2003-2004 ADOPTED BUDGET (CONT'D.)

Beginning Fund Balance

- **Required/Recommended Current Year Adjustments (\$558,000)** – Several budget additions and reductions are recommended to address a number of current year funding changes that have emerged since the budget was approved. The following augmentations are recommended: funding for historic preservation received from a settlement for that purpose (\$12,000); correctly reallocating a portion of the City's medical doctor to the General Fund (\$22,000); matching funds for a collaborative grant submitted by the Police Department for the Interoperability Grant, a collaborative application with neighboring jurisdictions (\$100,000); payment for an insurance deductible related to the Rocksprings Tot Lot (\$100,000); estimated gap related to moving expenses for staff to move to the former Martin Luther King Library (\$168,000); payment for County computer forensic lab fees (\$172,649); and annual transfer of excess Construction and Conveyance Tax revenue to the Park Maintenance Reserve (\$560,392).

The following reductions are recommended: a decrease to lease funding related to the Domestic Violence Center which came in less than budgeted (\$22,477); a net decrease to Mayor/Council budgets to reflect correctly cost-of-living increases (\$88,421); decrease to a traffic capital project (Cedro St: Cas Drive to Buckeye Drive) that does not require as much funding as originally budgeted (\$100,000); decrease to Finance contract related to revenue enhancement consultant services (\$142,000); and decrease to insurance funding (\$224,000).

- **Rebudgets/Technical Adjustments (\$9.8 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 2002-2003 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 \$9.8 million of Rebudgets/Technical Adjustments are identified in this report that need to be carried to the 2003-2004 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 (\$1.6 million) and City-Wide Projects (\$6.7 million).
- **Reserve for 2004-2005 Deficit (\$7.3 million)** – After the above actions, per Council policy, the remaining \$7.3 million in unallocated funds is recommended to be used to establish a Reserve for the 2004-2005 Budget Deficit. Doing so would help prepare the organization to address what will surely prove to be a challenging, upcoming budget year. The recommended reserve is consistent with the fiscally cautious approach that has served the City so well up to this point.

IMPACTS ON THE 2003-2004 ADOPTED BUDGET (CONT'D.)

Additional Adjustments to the 2003-2004 Adopted Budget

In addition to the previously discussed recommended uses for the surplus fund balance, a number of other revenue-related adjustments and reallocations are proposed as a part of this report.

- **Revenue-Related (\$1.3 million)** – Generally, this category of adjustments rebudget the revenue and corresponding expenditure budget for various grants to 2003-2004, including the following: Clean Cities Reward Program (\$1,000); Metropolitan Medical Strike Team (\$1,256); Domestic Violence (\$12,675); High Intensity Drug Trafficking Area (\$23,023); DUI Enforcement Campaign (\$98,285); Community Based Aftercare Program (\$116,180); Internet Crimes Against Children (\$174,652); and Packard Foundation for Education (\$827,106).

In addition, \$10,000 in revenue is expected from our insurance company related to repairs necessary to the Rock Springs Tot Lot due to a recent fire. A net adjustment of \$5,000 is recommended that would substitute a proposal to assess Special Accounting Fees included, but not implemented, in the recent General Fund Rebalancing Action due to the outcome of the meet and confer process. The recognition of additional Business Tax revenues (\$59,000) is now recommended and the impact to interest earnings from the State Budget has been adjusted accordingly.

- **Reallocations (\$12.0 million)** – This category of recommended actions redistributes funds to reflect the appropriate budgeted activity. The largest portion of this amount is necessary to reflect the reduction of Senior Executive Management salary increases and the Professional Development Program, and to distribute negotiated increases to Police and Fire through a decrease to the Salary Reserve (\$8.9 million). As a result of the Local Law Enforcement Block Grant (LLEBG) audit, a small portion of prior years' expenditures were incorrectly charged to the grant and should be reallocated to the General Fund (\$35,816). A position in the Fire Department's Fee Program should be deleted to reflect the appropriate budget and the resulting savings placed in the Fire Fee Reserve (\$144,640). In order to reflect the appropriate grant year, a shift in the California Law Enforcement Equipment Program (CLEEP) from the 2000-2001 appropriation to the 2003-2004 appropriation is necessary (\$97,973). A redistribution of the Information technology support for the San José Permits On-Line to the appropriate fee programs should be made to accurately reflect anticipated need (\$1,117,641).

STATUS OF OTHER FUNDS

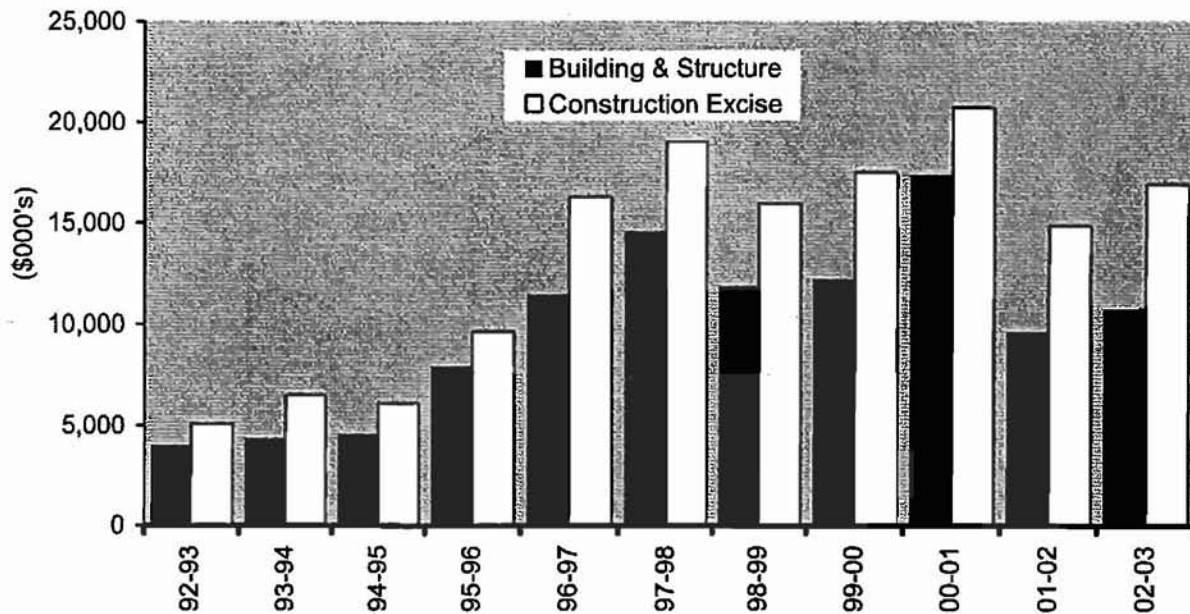
Capital Funds

In 2002-2003, collections in several of the major capital tax revenue categories significantly exceeded the estimates included in the modified budget. The Construction Excise and Building and Structure Construction Taxes that primarily support the Traffic Capital Program also tracked well above the prior year collection levels, while the Construction and Conveyance Taxes fell slightly below the 2001-2002 levels.

Year-end collections in the **Building and Structure Construction Tax** category totaled \$10.8 million, which was \$3.8 million above the modified budget estimate of \$6.9 million, and \$1.1 million above the \$9.7 million received in 2001-2002. Construction Excise Tax receipts ended the year at \$16.9 million, exceeding both the modified budget of \$12.1 million and the 2001-2002 collection level of \$14.8 million. Collections in both of these categories had been depressed for over a year and a half. However, beginning in the third quarter of 2002-2003, receipts experienced an unpredictably strong recovery, resulting largely from near-record levels of residential development activity.

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 dramatic growth during the latter part of the 1990's. While collections have fallen from the peak in 2000-2001, they have remained relatively strong when considering the historical performance of these taxes.

CONSTRUCTION TAX REVENUES



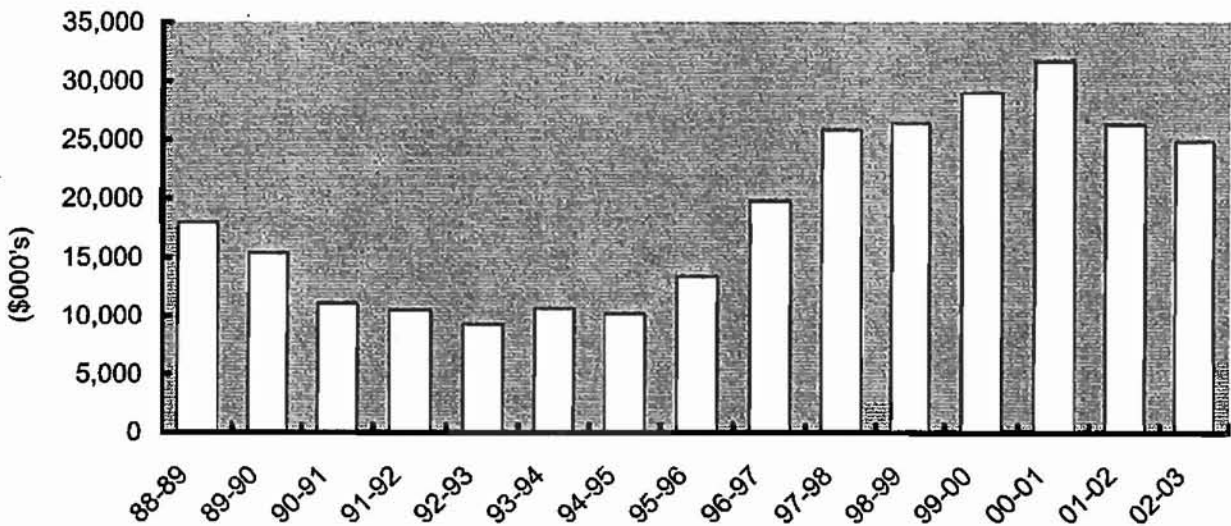
STATUS OF OTHER FUNDS (CONT'D.)

Capital Funds (Cont'd.)

Construction and Conveyance Tax revenues, which are a significant source of funds for the Park and Community Facilities Development, Library and Fire capital programs, declined for a second consecutive year, but not near as steeply as anticipated. Actual collections for 2002-2003 totaled \$24.8 million, a decrease of almost \$1.5 million (5.7%) from 2001-2002 and a fall of \$6.8 million (21.5%) from the peak collection level of \$31.6 million in 2000-2001. While revenues fell below the collection levels experienced in recent years, they significantly exceeded the budgeted estimate of \$20.0 million by \$4.8 million. When the 2002-2003 budget was developed, it was assumed that receipts would experience sizeable declines from the estimated 2001-2002 collection level based on the sluggish state of the economy. While collections did fall, they did not drop as much as originally anticipated due to stronger than expected real estate activity, which generates this tax revenue. The number of real estate sales in San Jose remained virtually unchanged from the prior year, with a drop of less than 1% and the single family median home price as of June 2003 of \$519,000 was actually 3.8% higher than the June 2002 figure of \$499,950.

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 2002-2003 continues the decline that began in 2001-2002. While collections may still experience some 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 2003-2004 Adopted Budget estimate of \$16.0 million allows for further significant declines in this category.

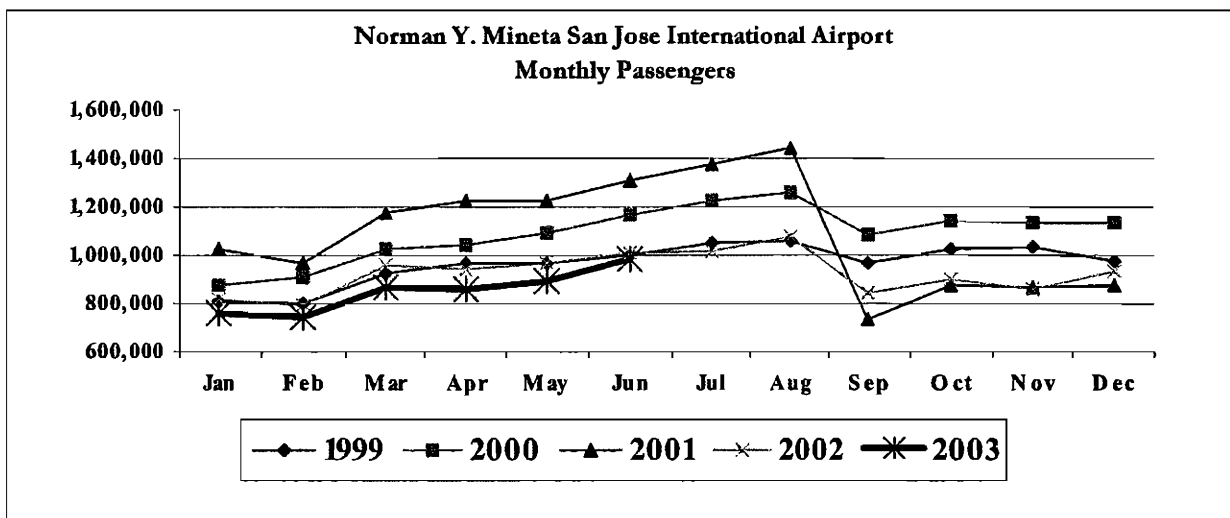
CONSTRUCTION AND CONVEYANCE TAX REVENUES



STATUS OF OTHER FUNDS (CONT'D.)

Airport Operating Funds

The continued economic downturn that has affected the City overall has also impacted activity at the Airport, in the form of reduced operating revenues. During the 2002-2003 Mid-Year Budget Process Airport revenue estimates for landing fees, terminal building, airfield and parking revenues were reduced by \$7 million to account for reduced collection levels and increased by \$3.5 to recognize additional reimbursement from the federal government for Airport Police checkpoint overtime. By the end of 2002-2003, actual Airport revenues matched these revised estimates with no significant variance. As illustrated in the graph below, like much of the City's revenue stream, the depressed local and nation economy has had a direct impact on passenger levels. While costs have increased, due to additional security needs, expanded customer service demands on our facilities and infrastructure development, passengers and the revenue they directly bring to the Airport and City are roughly at 1999 levels.



In order to meet the challenge posed by reduced revenue collections, the Airport intensified an already successful program established after the September 11 terrorist attacks, to set targeted reductions and closely monitor all expenditures. Specifically, the Airport continued to save \$8.2 million in base adjustments that were frozen during the 2002-2003 budget process (including 31 positions), and targeted a further \$3.6 million in reductions to both personal and non-personal services. The Airport also identified \$3.0 million in reductions to the Capital Budget and sought to retain any available budgeted reserves, including over \$3.3 million in Operating Contingencies. The Airport has had its own Hiring Freeze Process in effect since October 2001 and carefully reviews and justifies the hiring of any position.

In fact, cost savings achieved by the Airport in 2002-2003 exceeded even these ambitious targets. Airport personal and non-personal expenses were reduced by \$6.9 million, or nearly twice the targeted reduction of \$3.6 million. The Airport was also able to retain significant

STATUS OF OTHER FUNDS (CONT'D.)

Airport Operating Funds (Cont'd.)

reserves associated with salaries, potential land lease costs, security, as well as operating contingency. In addition staff was able to retain a further \$1.4 million by liquidating unnecessary or expired contracts, which reduced outstanding encumbrance levels. All of these savings were achieved while still providing necessary customer service and aviation programs to Airport passengers, tenants and the San Jose community.

Convention and Cultural Affairs Fund

The Convention and Cultural Affairs Fund ended the year below expected levels due to lower than anticipated revenue collections. Revenue collections were \$1.6 million below the modified revenue estimate. This performance was mainly due to lower than expected space rental and concessionary income for the year as well as lower than expected transfers from the Parking Fund (\$232,000), and Transient Occupancy Tax Fund (\$1.3 million). The overall occupancy rate for the Convention Center was approximately 80.0% for 2002-2003, down from the 83.0% that was realized in 2001-2002. The ending fund balance variance reflects a revenues falling short of expectations was only partially offset by expenditure savings.

Transient Occupancy Tax Fund

Collections for the Transient Occupancy Tax (TOT) in 2002-2003 continue the downward trend of 2001-2002. This collection fell below the revised budget amount by \$1.2 million. The average hotel occupancy rate increased slightly, from 52.6% to 54.4%; however, the room rate continued its fall, from \$137.80 to \$117.20. This trend seems to be continuing into 2003-2004. For the first two months of 2003-2004, the average occupancy rate has been relatively steady at 55.0%, but the room rate has fallen further to \$104.90.

TOT Fund tax revenue is, by ordinance, shared by three groups: the Convention Visitors Bureau (25%), Cultural Grants (25%) and the Convention Center Operation Subsidy (50%). Since tax receipts for 2002-2003 ended the year well below anticipated levels, this report contains actions required to recoup overpayments made last year. The following reductions would be made to the three groups: \$150,000 to the Convention Visitors Bureau, \$150,000 to Cultural Grants, and \$300,000 to the Convention Center Operation Subsidy. Additional discussion detailing the actions proposed in the TOT Fund may be found in Section II, *Other Funds*, of this report.

LOOKING AHEAD

While the weak local economy continued to impact the City throughout the 2002-2003 fiscal year, we successfully managed the resulting budgetary challenges, ending the year in a sound financial position.

The City organization can be proud of its efforts thus far, maintaining for the most part essential City services and programs in the face of ever shrinking resources. Given what evidence exists related to significant local economic improvement, however, it is clear that more work and additional tough choices lie ahead if we are to sustain this performance. General Sales Tax receipts continue to be weak -- we recently experienced the ninth consecutive quarter of declines -- and this is a source of revenue that constitutes approximately a fifth of the General Fund budget. The unemployment rate and number of wage and salary jobs is not demonstrating any vast improvement.

Finally, we remain very concerned about the potential for budget impacts on our revenue streams from State actions that may be on the horizon, both because of the State's persistent budget challenges, and the impending recall election. Virtually every candidate in that election has expressed an intent to revisit the recent increases in the Motor Vehicle License Fee. As the City Council is fully aware, that Fee is a very significant element of our General Fund budget, with almost \$54 million budgeted to come from that source this year. A rollback of the recent increases, or worse, a move to abolish the tax, could obviously create an instant crisis for us.

It is a testament to the Mayor and City Council's leadership and steadfast commitment to sound fiscal planning that the City remains in a strong and relatively enviable financial position. I am very confident that it will be this same leadership, along with the combined dedication of policymakers and administration alike that will help this City manage successfully through whatever difficult times that lie ahead.

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 and Mid-Year Budget Review process.


DEL D. BORGSDORF
City Manager

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in fiscal year 2003-2004 monies in excess of those heretofore appropriated therefrom:

| | | |
|---|----|------------|
| General Fund | \$ | 19,904,970 |
| Airport Capital Improvement | | 3,784,046 |
| Airport Renew & Replacement | | 1,032,032 |
| Airport Revenue | | 2,136,047 |
| Airport Surplus Revenue | | 1,365,909 |
| Anti-Tobacco Master Settlement Agreement Benefits | | 1,175,905 |
| | | 188,857 |
| Building & Structures Construction Tax | | 13,374,396 |
| Branch Library Bond Project | | 778,659 |
| Business Improvement District | | 12,142 |
| Community Development Block Grant | | 6,439,850 |
| City Hall Renovation Construction | | 135,818 |
| Civic Center Construction | | 8,792,802 |
| Community Facilities District 1 | | 30,060 |
| Community Facilities District 2 and District 3 | | 164,144 |
| Community Facilities Revenue | | 928,196 |
| Consolidated Water Utility | | 865,450 |
| Construction & Conveyance Tax - Council District 2 | | 160,083 |
| Construction & Conveyance Tax - Council District 3 | | 327,745 |
| Construction & Conveyance Tax - Council District 4 | | 240,092 |
| Construction & Conveyance Tax - Council District 5 | | 223,526 |
| Construction & Conveyance Tax - Council District 7 | | 318,601 |
| Construction & Conveyance Tax - Council District 8 | | 111,367 |
| Construction & Conveyance Tax - Council District 9 | | 275,826 |
| Construction & Conveyance Tax - Council District 10 | | 186,339 |
| Construction & Conveyance Tax - Central Fund | | 558,899 |
| Construction & Conveyance Tax - City-Wide | | 1,206,185 |
| Construction & Conveyance Tax - Communications | | 245,610 |
| Construction & Conveyance Tax - Fire | | 993,137 |
| Construction & Conveyance Tax - Library | | 1,543,341 |
| Construction Excise Tax | | 9,149,057 |
| Conventions & Cultural Affairs | | 388,145 |
| Dental Insurance | | 332,906 |
| Development Enhancement | | 1,102,682 |
| Emergency Reserve | | 116,303 |
| Federal Drug Forfeiture | | 10,625 |
| Fiber Optics Development | | 26,615 |
| General Purpose Parking | | 1,486,429 |
| Gift Trust | | 2,399 |
| Home Investment Partnership | | 4,641,817 |
| Housing & Homeless | | 464,053 |
| Integrated Waste Management | | 1,993,063 |

| | | |
|---|----|-----------|
| LakeCunningham | \$ | 129,515 |
| Library Benefit Assessment District | | 578,567 |
| Life Insurance | | 4,782 |
| Local Law Enforcement Block Grant | | 10,414 |
| Low & Moderate Income Housing | | 1,179,603 |
| Maintenance Assessment District 2 | | 14,406 |
| Maintenance Assessment District 5 | | 1,805 |
| Maintenance Assessment District 8 | | 33 |
| Maintenance Assessment District 9 | | 889 |
| Maintenance Assessment District 10 | | 118,235 |
| Maintenance Assessment District 11 | | 5,056 |
| Maintenance Assessment District 13 | | 5,215 |
| Maintenance Assessment District 15 | | 703,633 |
| Maintenance Assessment District 18 | | 8,741 |
| Maintenance Assessment District 20 | | 13,678 |
| Maintenance Assessment District 21 | | 8,634 |
| Multiple Sources Housing | | 955,000 |
| Municipal Water & Major Facilities Fee | | 103,655 |
| Neighborhood Security Bond | | 3,340,743 |
| Parks & Recreation Bond Project | | 4,163,936 |
| Redevelopment Agency Capital Projects (City side) | | 6,420,519 |
| Residential Construction Tax Contribution | | 348,033 |
| Sanitary Sewer Connection Fee | | 4,335,573 |
| Sewage Treatment Plant Connection | | 424,070 |
| Sewer Service & Use Charge | | 2,145,097 |
| Sewer Service & Use Charge Capital | | 5,651,820 |
| SJ-SC Treatment Plant Income | | 42,093 |
| SJ-SC Treatment Plant Operating | | 6,337,610 |
| State Drug Forfeiture | | 438,439 |
| Storm Drainage Fee | | 227,056 |
| Storm Drain Service & Use Charge | | 1,119,608 |
| Storm Sewer Capital | | 124,253 |
| Subdivision Park Trust | | 6,415,537 |
| Supplemental Law Enforcement Services | | 161,926 |
| Transient Occupancy Tax | | 709,540 |
| Underground Utility | | 336,609 |
| Unemployment Insurance | | 11,729 |
| Vehicle Maintenance & Operations | | 943,110 |
| Water Utility Capital | | 1,116,542 |
| Workforce Investment Act | | 160,000 |

Larry D. Lisenbee
 Larry D. Lisenbee
 Budget Director

by Andrew Pasquini
 Andrew Pasquini
 Asst. Budget Director

2002-2003

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DEFINITIONS

DEFINITIONS

- **Actuals vs. Budget/Estimate** - This document includes analyses of department appropriations and funds based on variances between the 2002-2003 actual revenues/expenditures and either the 2002-2003 Modified Budget or 2002-2003 estimates.
 - "Actuals" represent final, audited year-end close figures as of June 30, 2003.
 - "Budget" reflects the original 2002-2003 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, 2003. These estimates were used in calculating the year-end fund balance, and consequently, the 2003-2004 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.

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.

2002-2003

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I. GENERAL FUND



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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 \$159.6 million was realized, as reflected in the following table:

**GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2003
(\$000s)**

| | Revised Budget | Budgetary Basis Actual | Variance |
|--|---------------------------|---------------------------------------|-----------------|
| Sources | | | |
| <i>Beginning Fund Balance*</i> | 232,187 | 232,207 | 20 |
| <i>Liquidation of Carryover Encumbrances</i> | - | 3,853 | 3,853 |
| <i>Subtotal</i> | 232,187 | 236,060 | 3,873 |
| <i>Revenue</i> | 639,209 | 643,514 | 4,305 |
| <i>Total Sources</i> | 871,396 | 879,574 | 8,178 |
| Uses | | | |
| <i>Personal Services</i> | 487,875 | 482,307 | 5,568 |
| <i>Non-Personal/Equipment/Other</i> | 97,207 | 89,627 | 7,580 |
| <i>City-Wide Expenses</i> | 120,160 | 97,932 | 22,228 |
| <i>Capital Contributions</i> | 62,657 | 43,439 | 19,218 |
| <i>Transfers</i> | 6,831 | 6,696 | 135 |
| <i>Reserves</i> | 96,666 | - | 96,666 |
| <i>Total Uses</i> | 871,396 | 720,001 | 151,395 |
| <i>Available Ending Fund Balance</i> | | 159,573 | 159,573 |

* Includes an Encumbrance Balance of \$41.5 million

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

The actual ending fund balance of \$159.6 million exceeded the estimated ending fund balance level by approximately \$18.9 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.

**2002-2003 GENERAL FUND
ENDING FUND BALANCE ANALYSIS
(\$000s)**

| | <u>Estimate</u> | <u>Budgetary Basis Actual</u> | <u>Variance</u> |
|--|-----------------|---------------------------------------|-----------------|
| Sources | | | |
| <i>Beginning Fund Balance*</i> | 232,187 | 232,207 | 20 |
| <i>Liquidation of Carryover Encumbrances</i> | 1,200 | 3,853 | 2,653 |
| <i>Subtotal</i> | 233,387 | 236,060 | 2,673 |
| <i>Revenue</i> | 642,208 | 643,514 | 1,306 |
| <i>Total Sources</i> | 875,595 | 879,574 | 3,979 |
| Uses | | | |
| <i>Expenditures</i> | 727,031 | 713,305 | 13,726 |
| <i>Transfers</i> | 6,831 | 6,696 | 135 |
| <i>Reserves</i> | 1,058 | - | 1,058 |
| <i>Total Uses</i> | 734,920 | 720,001 | 14,919 |
| <i>Available Ending Fund Balance</i> | | 159,573 | 18,898 |

* Includes an Encumbrance Balance of \$41.5 million

**2002-2003
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RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The variance in the Beginning Fund Balance of \$20,000 is Sidewalk Repair Program carryover encumbrance from prior years when 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 actual 2002-2003 liquidation of carryover encumbrance amount was \$3.9 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2001-2002 financial statements and the end of the 2002-2003 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 \$2.7 million represents carryover encumbrance liquidations that occurred at a higher level than originally anticipated when formulating the fund balance estimate.

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

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GENERAL FUND REVENUE PERFORMANCE

The following table details actual 2002-2003 General Fund revenue collections as compared with the modified budget estimates:

TABLE A
2002-2003 GENERAL FUND REVENUE SUMMARY
COMPARISON OF BUDGET TO ACTUAL
 (\$000's)

| Category | Modified Budget | Budgetary Basis Actual | Variance |
|--------------------------------------|--------------------|------------------------------|-----------------|
| Property Tax | \$ 91,444 | \$ 93,592 | \$ 2,148 |
| Sales Tax | 134,279 | 127,457 | (6,822) |
| Transient Occupancy Tax | 6,700 | 5,800 | (900) |
| Franchise Fees | 31,754 | 32,092 | 338 |
| Utility Tax | 65,429 | 65,785 | 356 |
| Licenses and Permits | 60,706 | 61,407 | 701 |
| Fines, Forfeitures, and Penalties | 11,516 | 12,254 | 738 |
| Use of Money and Property | 11,208 | 11,975 | 767 |
| Revenue from Local Agencies | 43,361 | 43,009 | (352) |
| Revenue from the State of California | 59,024 | 60,808 | 1,784 |
| Revenue from Federal Government | 2,700 | 2,291 | (409) |
| Departmental Charges | 23,489 | 22,845 | (644) |
| Other Revenue | 11,721 | 11,865 | 144 |
| Subtotal | 553,329 | 551,178 | (2,151) |
| Overhead Reimbursements | 29,737 | 33,700 | 3,963 |
| Transfers | 37,879 | 40,723 | 2,844 |
| Reimbursements for Services | 18,264 | 17,913 | (351) |
| Subtotal | 85,880 | 92,336 | 6,456 |
| TOTALS* | \$ 639,209 | \$ 643,514 | \$ 4,305 |

* Excludes Beginning Fund Balance

2002-2003 ANNUAL REPORT

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

The General Fund revenue performance for 2002-2003 is discussed in the following section. This discussion includes a comparison of the 2002-2003 actual revenue receipts for each of the major revenue categories to the modified budget and descriptions of significant variances. In addition, comparisons with the 2001-2002 collection levels are typically included to indicate collection trends and to provide historical perspective.

As shown in Table A, total revenue received in the General Fund in 2002-2003 was \$643.5 million. This total represents a decrease of \$17.2 million (down 2.6%) from the actual 2001-2002 collections (\$660.7 million), but was above the 2002-2003 Modified Budget level by \$4.3 million (0.7%). 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, Utility Tax, Use of Money and Property, Revenue from Local Agencies, Revenue from the Federal Government, Departmental Charges, Other Revenue).

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 2002-2003 fiscal year totaled \$93.6 million. This collection level was 2.3% above (\$2.1 million) the budgeted estimate of \$91.4 million, and represented growth of 6.0% above prior year actuals of \$88.3 million. The growth over the prior year was primarily driven by increases in both Secured Property Tax and Unsecured Property Tax receipts.

Secured Property Tax receipts of \$73.3 million were 7.9% above (\$5.4 million) the 2001-2002 level and just under one percent above (\$504,000) the 2002-2003 modified budget estimate. It should be noted that the property tax levy as of December 31, 2001 was the basis for the Secured Property Tax collections in 2002-2003. 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 \$5.1 million were 6.3% below (down \$342,000) the actual 2001-2002 level, but 33.9% above (\$1.3 million) the 2002-2003 modified budget estimate of \$3.8 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 slowdown felt in the real estate market during the fiscal year.

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GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Property Tax (Cont'd.)

The 2002-2003 modified budget anticipated an even greater slowdown in the real estate market. In 2003-2004, it is anticipated that collections will continue to fall, and the budgeted estimate allows for a 10.0% drop from the 2002-2003 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 \$14.1 million increased only 2.2% (\$298,000) over the 2001-2002 actual level. This performance was slightly higher (\$360,000 or 2.6%) than the budgeted estimate. As anticipated, the 2002-2003 rate of growth was significantly less than that experienced in prior years: 2001-2002 (26.6%), 2000-2001 (13.0%), 1998-1999 (8.3%), 1997-1998 (15.0%), and 1996-1997 (12.0%). For comparison purposes, however, these high growth rates are still higher than those experienced in 1995-1996 (1.7%) and the large drops experienced in both 1994-1995 and 1993-1994, the last comparable period of economic decline. The declines in those years resulted 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 2003-2004 budgeted estimate allows for a drop of 7.2% from the 2002-2003 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 \$1.15 million were consistent with the budgeted estimate and reflect a decrease of one percent from the 2001-2002 actual collection level.

Property Tax has experienced very healthy growth over the last several years. However, based on the current recession, the 2003-2004 budget estimate for Property Tax allows for an overall 1.2% drop from the 2002-2003 collection level.

Sales Tax

General Sales Tax collections for 2002-2003 of \$122.8 million were 7.9% below (down \$10.5 million) the 2001-2002 year-end level of \$133.2 million. This performance reflects the continuing the negative impact of a stagnant local economy. Even after double-digit declines in 2001-2002, all of the first three quarters still experienced declines: first quarter down 9.6% from the same quarter's 2001-2002 decline of 19.8%; second quarter down 6.2% from the same quarter's 2001-2002 decline of 18.2%; and third quarter down 4.8% from the same quarter's 2001-2002 decline of 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 10.0% drop was built into this year-end,

2002-2003 ANNUAL REPORT

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Sales Tax (Cont'd.)

fourth quarter accrual based on the performance of the prior three quarters and economic reports indicating no significant improvement for that period.

The actual (economic activity for April through June) General Sales Tax performance for the accrued quarter has since been released. The City's Sales Tax performance continued to be weak with a 1.4% decline and represented the ninth straight quarter in which the City has experienced a drop in Sales Tax collections. This decline was slightly less than the San Francisco Bay Area (down 2.3%), but greater than the State which experienced growth of 5.0%. While this latest General Sales Tax information does not change the 2002-2003 accrual, the slightly improved performance at year-end allows for a one-time "buffer" of \$2.7 million for use in 2003-2004.

Proposition 172 Half-Cent Sales Tax receipts of \$4.7 million were slightly below (down 2.4% or \$118,000) the 2001-2002 collection level. The rate continues the 2001-2002 trend (down 1.6%), reflecting the impact of a sustained, slowed 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 \$5.8 million, representing a 14.9% decline (down \$1.0 million) over the prior year level of \$6.8 million and a 13.4% decline (down \$900,000) from the budget estimate of \$6.7 million.

TOT collections are not expected to improve significantly in the near future. The average room rate decreased during last year from \$137 to \$117 while the occupancy rate rose slightly from 52.6% to 54.4%. Changes in both rates were primarily driven by the heavy discounting of room rates by the hotel industry. As this document went to print, we received July information. Although the average occupancy did rise in July, the average room rate continued its decline, falling to \$109. Meeting the current budgeted estimate would require a 14.8% increase over 2002-2003, a result that currently seems very unlikely.

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ANNUAL REPORT**

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Franchise Fees

Franchise fee collections of \$32.1 million were slightly above (1.1% or \$339,000) the 2002-2003 modified budget level of \$31.8 million. The variance between the actual receipts and budget is primarily due to higher than estimated collections in Electric, Gas Franchise, and City Generated Tow Franchise Fees offset by lower than estimated collections in Cable Television and Commercial Solid Waste Franchise Fees.

Electric and Gas Franchise Fees for 2002-2003 were based on activity that occurred during calendar year 2002. Electric Franchise Fees of \$14.5 million were 1.8% above (\$252,000) the 2002-2003 modified budget level of \$14.2 million and 3.8% above (\$531,000) the 2001-2002 level of \$13.9 million. Since rates have stabilized, this performance reflects slightly increased usage coupled natural increases for CPI (consumer price index). Gas Franchise Fees of \$2.6 million were 3.7% above (\$93,000) the 2002-2003 modified budget level of \$2.5 million and 44.9% below (down \$2.1 million) the 2001-2002 collection level of \$4.7 million. The 2002-2003 modified budget for Gas Franchise Fees anticipated growth of 2.0%. The steep decline from the prior year primarily reflects the fall in natural gas costs and market stabilization; the 2001-2002 growth rate was 51.1%.

Cable Television Franchise Fee collections of \$4.4 million were 4.3% below (down \$199,000) the 2002-2003 modified budget level of \$4.6 million and 1.5% below (down \$66,000) the 2001-2002 collection level of \$4.4 million. This performance reflects a continued decline in the number of cable television subscribers; the 2001-2002 growth was down 4.6%. City-Generated Tow Franchise Fee receipts of \$1.8 million ended the year significantly above (\$749,000) the 2001-2002 level of \$1.1 million as well as the 2002-2003 modified budget which assumed flat growth. This performance was primarily driven by compliance reviews completed by the Finance Department as well as higher payment requirements implemented in April 2003. Water Franchise Fee collections of \$162,000 were 2.8% above (\$4,400) the 2001-2002 level as well as the 2002-2003 modified budget level which assumed flat growth. Nitrogen Gas Pipeline Franchise Fee receipts of \$56,000 were consistent with budgeted expectations that assumed no growth over 2001-2002.

Commercial Solid Waste Franchise Fee (CSW) collections of \$8.6 million were 6.1% below (down \$561,000) the 2002-2003 modified budget level of \$9.1 million and 14.3% below (down \$1.4 million) 2001-2002 actual collections of \$10.0 million. The decrease in collections from the prior year is primarily driven by the combination of diversion programs designed to reduce the solid waste volume levels along with reduced economic activity in the commercial sector. The 2003-2004 budget estimate for the CSW would require growth of 10.7% from the 2002-2003 collection level. Given the continued expected impact of recycling programs, this result also seems unlikely.

2002-2003 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 \$65.8 million were less than one percent above (\$356,000) the 2002-2003 modified budget level of \$65.4 million and 1.7% below (down \$1.1 million) the 2001-2002 actual level. The performance compared to the modified budget was driven by growth in Electricity and Gas Utility Tax receipts, offset by drops in Water and Telephone Utility Tax collections.

Electricity Utility Tax receipts of \$33.9 million were 1.2% above (\$392,000) the modified budget estimate of \$33.5 million and 2.7% below (down \$948,000) the 2001-2002 level. The decline was primarily driven by a drop in usage (consumption, down 1.1% from 2001-2002 levels) and the stabilization of electricity rates.¹

Gas Utility Tax collections of \$7.2 million were 14.0% (\$885,000) above the modified budget level of \$6.3 million and 23.8% above (\$1.4 million) the prior year collection level of \$5.8 million. This growth over the prior year reflects an increase in gas rates from those experienced by customers during 2001-2002. For example, 2002-2003 average growth in the residential gas rate was 77.1% above the prior year, ranging from increases of 32.7% to 322.4%. The 2002-2003 performance continues this commodity's volatile rate history with average increases that vary from -58.3% in 2001-2002 to 140.4% in 2000-2001 to 37.7% in 1999-2000. 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.

Water Utility Tax receipts of \$5.5 million were 10.1% below (down \$621,000) the modified budget level of \$6.1 million and 4.3% below (down \$248,000) the prior year collection level of \$5.7 million. This performance compared to the prior year primarily reflects an overall decline in consumption while the number of users remained the same.

Telephone Utility Tax collections of \$19.2 million were 1.5% below (down \$300,000) the modified budget level of \$19.5 million and 6.3% below (down \$1.3 million) the prior year collection level of \$20.5 million. This decline reflects lower than anticipated tax revenue from land phone lines.

¹ Two electricity rate increases were implemented in 2001, one in January 2001 (made permanent in March 2001) and an additional rate increase implemented in June 2001.

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GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

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 \$61.4 million were 1.2% above (\$701,000) the modified budget level of \$60.7 million and 3.6% above (\$2.1 million) the 2001-2002 collection level of \$59.3 million.

Cardroom Business Tax receipts of \$7.7 million ended the year 2.6% above (\$198,000) the modified budget estimate of \$7.5 million and 10.7% below (down \$922,000) the prior year actual level of \$8.6 million. Through November 2002, year-to-date Cardroom Business Tax performance dropped primarily due to Bay 101's bankruptcy filing. Business Tax revenues of \$11.5 million ended the year less than one percent above (\$94,000) the modified budget estimate of \$11.45 million and less than one percent below (down \$30,000) the 2001-2002 collection level of \$11.6 million. Growth in the Business Tax was the result of increased activity.

Disposal Facility Tax collections of \$16.3 million ended the year less than one percent above (\$156,000) the modified budget estimate of \$16.15 million, but 7.2% above (\$1.1 million) the prior actual collection of \$15.2 million. Throughout the year, this revenue's performance was driven in large part by market reactions to the removal of the Alternate Daily Cover exemption. Apparently, a portion of the yard trimmings that typically went to City landfills in the past was transported to other locations (e.g., biomass facilities for energy production). By year-end, however, this market reaction leveled-off, stabilizing in the past four months of the year.

Fire Fee receipts of \$5.14 million at year-end were 9.0% below (down \$509,000) the 2002-2003 modified budget level of \$5.6 million and 1.0% below (down \$52,000) last year's level of \$5.2 million. The 2002-2003 adopted revenue estimate assumed a continuation of last year's activity levels, with higher fee levels approved by City Council. During the first half of the year, it was apparent that Fire fee revenues from development-related activities would be below budgeted levels. Since revenue from this activity is 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 frozen, non-personal expenditures were limited to essential purchases, and other cost-reduction measures were undertaken. In addition, the Fire Fee Reserve was reduced by \$400,000 to bridge the projected 2002-2003 revenue-expenditure gap. Based on actual revenue information for 2002-2003, a further downward adjustment of \$264,000 to the Fire Fee Reserve is proposed in this document. Staff will continue to monitor the Fire Fee Program collections closely and return with recommended adjustments as necessary.

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GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Licenses and Permits (Cont'd.)

Building Permit receipts of \$16.4 million ended the year 2.4% above (\$377,000) the modified budget estimate of \$16.1 million and 13.5% above (\$2.0 million) the prior year level of \$14.5 million. The 2002-2003 estimate was built assuming a continuation of the activity levels of last year, with the fee increases of approximately 12.0% along with a few new fees. As part of the 2002-2003 Mid-Year Budget Review, revenues and commensurate expenditures (fee reserve) were reduced by \$500,000, lowering expectations. Activity in 2002-2003 for new development consisted almost entirely of high-density, multi-family housing projects. Commercial activity was slow and industrial activity was almost non-existent. When comparing the actual revenues with the actual costs for Building Permits, however, an excess of \$843,000 results. As part of this document's proposed actions, the surplus is proposed to return to the existing reserve of \$1.6 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 8.7% above (\$339,000) the modified budget level of \$3.9 million, and flat compared to the prior year collections.

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 \$12.3 million in this category were 6.4% above (\$738,000) the modified budget estimate of \$11.5 million and 6.2% above (\$717,000) prior year collections. Compared to the prior year, this performance was primarily driven by greater collections from Parking Fines, County Municipal Court, and Administrative Citation Fines, offset by lower receipts from Other Penalties. The lower level of collection reflected in the Other Penalties revenue category appears to be primarily driven by a lower level of collectability.

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 \$12.0 million ended the year 6.8% slightly above (\$767,000) the modified budget level of \$11.2 million, but 36.8% below (down \$7.0 million) the prior year collection level of \$19.0 million. The significant drop from the prior year level reflects lower average cash balances and a lower average interest rate for the General Fund and several special funds.

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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; and payment for the County Paramedic Program.

Revenue collections of \$43.0 million in the Local Agencies category ended the year less than one percent below (down \$352,000) the modified budget, but 8.8% below (down \$4.1 million) the 2001-2002 collection level. The lower collections over the prior year were primarily driven by the absence of reimbursement from the Redevelopment Agency for several capital projects (down \$4.6 million); and variances associated with a number of grants.

Revenue from the State of California

Revenue collections of \$60.8 million in this category ended the year 3.0% above (\$1.8 million) the modified budget of \$59.0 million and less than one percent above the prior year actual level. The performance compared to budget was primarily due to positive variances in State grant programs. Included in this report is a recommendation to rebudget the revenue and corresponding expenditure budget for various grants to 2003-2004.

Higher grant receipts were also driven 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 2002-2003, Motor Vehicle In-Lieu fees of \$53.8 million ended the year 2.4% above (\$1.3 million) the modified budget estimate of \$52.5 million and 4.9% above (\$2.5 million) the prior year collection level of \$51.3 million. This category enjoyed very healthy gains due to a surge in car sales throughout the state that has been sustained for several years: 5.3% growth in 2001-2002; 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 better than expected, the impact of the continuing economic downturn is evident with only 4.9% growth over the prior year. Given the current economy, the 2003-2004 budget estimate reflects a flat growth expectations compared to the 2002-2003 collection level.

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ANNUAL REPORT**

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Revenue from the Federal Government

The proceeds in this category are entirely composed of various grant programs. In 2002-2003, Revenue from the Federal Government of \$2.3 million was 15.2% below (down \$409,000) the modified budget estimate of \$2.7 million and 34.9% below (down \$1.3 million) the 2001-2002 collection level. The variances from budget and the prior year were due to fluctuations in grants calculated on a reimbursement basis.

Departmental Charges

This category includes the fees and charges levied to recover costs of services provided by various City departments. Collections of \$22.8 million for Departmental Charges were 2.7% below (down \$644,000) the modified budget estimate and 2.6% below (down \$615,000) the 2001-2002 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 \$2.2 million ended the year 8.0% below (down \$188,000) below the modified budget estimate and 10.9% below (down \$265,000) than the prior year actual level of \$2.4 million. The variance from the prior year level was primarily driven by lower settlement and reimbursements (down \$340,000).

Police Departmental Fees – Collections of \$1.7 million ended the year 7.8% above (\$124,000) above the modified budget estimate of \$1.6 million and 9.7% below (down \$183,000) the \$1.9 million collected in 2001-2002. The change from prior year collections was primarily due to lower POST reimbursements as well as lower revenues from other miscellaneous Police revenues.

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ANNUAL REPORT**

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Departmental Charges (Cont'd.)

Public Works Departmental Fees – Collections for Public Works Departmental charges of \$5.9 million ended the year 3.2% below (down \$197,000) the modified budget estimate of \$6.1 million and 4.3% below (down \$268,000) the \$6.2 million collected in 2001-2002. Overall revenue collections were below anticipated levels for the whole year. However, a surge during the month of June reduced the size of the anticipated shortfall. In the Development Fee Program, June's higher than estimated revenue collections (\$837,000), although encouraging, were still 4.8% lower than the same time period in 2001-2002. Year-end collections in the Fee Program ended 3.9% below the 2001-2002 totals and 23.0% below 2000-2001. While revenue collections in nearly every category were less than anticipated, the non-residential engineering, utility excavation, grading permits, and planned development permit categories were particularly affected by the downturn in the local economy. Shortfalls in these categories were only partially offset by greater than anticipated revenue collections in the residential engineering, private streets engineering, and public easement categories. Despite the lower than anticipated revenue collections, due to aggressive cost control measures, a surplus of \$283,121 exists when comparing actual fee program revenues to actual expenses. As this program operated with no reserve in 2002-2003 due to the deficit incurred in 2001-2002, the use of this surplus to re-establish a reserve is recommended in this document.

Transportation Departmental Fees – Collections of \$792,000 ended the year 10.2% below (down \$90,000) the modified budget estimate of \$882,000 and 22.8% below (down \$234,000) the \$1.03 million collected in 2001-2002. The decrease in revenue from 2001-2002 was primarily the result of the general economic slowdown. The variance from budgeted estimates in 2002-2003 reflected shortfalls in signal design and review and residential permit parking. Signal design and review ended the year \$105,000 lower than projected, resulting from a decrease in the volume of development work performed by the Public Works Department. Residential permit parking ended the year \$75,000 below estimates, primarily because fewer residents participated than had been anticipated. This decline was offset, however, by greater than anticipated revenue in the category of Miscellaneous Traffic Charges, which came in approximately \$91,000, or 26.9%, above the budgeted amount. 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 \$928,000 ended the year 14.3% above (\$116,000) the modified budget estimate of \$812,000 and 5.7% above (\$50,000) the \$878,000 collected in 2001-2002. The positive variance in fees from the prior year reflects the Library Department's significant increase in circulation.

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ANNUAL REPORT**

GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Departmental Charges (Cont'd.)

Planning Departmental Fees – Collections of \$3.8 million ended the year 3.9% below (down \$153,000) the budget estimate of \$3.9 million, but 4.8% above (\$174,000) the prior year level. In line with the other development-related fee areas, the 2002-2003 estimate was built assuming a continuation of the activity levels of last year, with the higher fee levels approved by City Council. Revenues in almost all non-residential categories (Maps, Planned Development Rezoning/Rezoning, Environmental Clearances, Site Development Permits and Planned Development Permits) were, however, below anticipated levels. These shortfalls were the result of a significant decline in the number of new commercial and industrial development applications. Downsizing by many major companies in San José has resulted in a tremendous surge in available inventory of vacant space, which is projected, to not be quickly absorbed and thus limits interest in new construction. When comparing the actual revenues with the actual expenses for Planning activity, an excess of \$70,000 results, which is proposed in this document to be returned to the existing reserve of \$600,000 established for development-related activities.

Parks, Recreation, and Neighborhood Services Departmental Fees – Collections of \$7.6 million ended the year 3.3% below (down \$256,000) the modified budget estimate of \$7.8 million, but 1.5% above (\$110,000) the \$7.5 million collected in 2001-2002. The negative variance from modified budget was primarily driven by lower receipts from Happy Hollow Park and Zoo as well as other regional parks and facilities fees.

Other Revenue

Other Revenue receipts of \$11.9 million were 1.2% above (\$143,000) the modified budget level of \$11.7 million, but 50.5% below (\$12.1 million) the 2001-2002 collection level. The significant negative variance from the prior year reflects the absence of a number of mostly one-time or lower revenues booked in 2001-2002: Sale of Real Properties (down \$1.6 million); SB 90 reimbursements (down \$1.2 million)²; Packard Foundation funding for Smart Start Centers now reflected in Revenue from Local Agencies (down \$660,000); settlement revenue from the County (down \$5.5 million); revenue received for miscellaneous Public Works Department projects (down \$790,000); revenue received from a settlement for underground storage tank clean-ups at the police garage (down \$428,000); lower revenue from sidewalk repair activities (down \$88,000); revenue from the River Street Historic District (down \$32,000); funding for a Parks Reserve from Calpine/Bechtel now reflected in the Capital Budget (down \$500,000); and anticipated lower revenue for a low-income energy assistance program (down \$250,000).

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

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GENERAL FUND REVENUE PERFORMANCE (CONT'D.)

Overhead Reimbursements

Payments from other funds for overhead costs of \$33.7 million ended the year 13.3% above (\$4.0 million) the modified budget estimate of \$29.7 million. This variance represents the net result of a series of over- and under-budgeted performances from over 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, Construction and Conveyance Tax Funds, Building and Structure Construction Tax Fund, Construction Excise Tax Fund, the Parks and Recreation Bond Projects Fund, the Branch Libraries Bond Projects Fund, the Neighborhood Security Bond Fund, and the Sewer Service and Use Charge Capital Improvement Fund) based on actual activity levels.

Transfers

Revenue from the Transfers from other funds category of \$40.7 million ended the year 7.5% above (\$2.8 million) the modified budget level of \$37.9 million. The positive variance was primarily due to higher than budgeted revenue from the Low and Moderate Income Housing Fund for the sale of real property (\$760,000), unanticipated earnings from debt service funds (\$1.5 million), and higher revenue from the Construction and Conveyance Tax Fund used as part of the 2003-2004 balancing strategy (\$1.088 million). This performance was partially offset by lower than anticipated revenue from the Construction and Conveyance Tax Fund for parks maintenance (down \$528,000).

Reimbursements for Services

Collections of \$17.9 million in the Reimbursements for Services category were 1.9% below (down \$350,000) the modified budget level. The slight negative variance was due to lower reimbursements from the Gas Tax Funds.

Summary

Total revenue received by the General Fund for 2002-2003 (\$643.5 million) exceeded the modified budget level by a very small margin (\$4.3 million or 0.7%), a notable 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 Administration will continue to monitor collections actively for the 2003-2004 fiscal year through the Monthly Financial Report process, and return with recommendations for any revisions that seem appropriate in the Mid-Year Budget Review.

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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
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Definitions

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

Budget – refers to 2002-2003 appropriations as modified by Council through June 30, 2003, plus 2001-2002 carryover encumbrances.

Expenditure – refers to actual 2002-2003 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 2003-2004 Adopted Budget.

Overview

As shown in the following table, General Fund expenditures and encumbrances through June 30, 2003 totaled \$720.0 million. This expenditure total was up only \$679,000, or less than one percent, from the June 2002 level of \$719.3 million, and was \$151.4 million below (down 17.4%) the modified budget total of \$871.4 million. Excluding \$96.7 million in reserves, the true savings were \$54.7 million (7.0%).

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Overview (Cont'd.)

TABLE B
2002-2003
BUDGET TO ACTUAL VARIANCES
(In 000s)

| Category | Modified Budget | Actual | Variance | % Variance |
|-------------------------------------|--------------------|-------------------|-------------------|--------------|
| <i>Personal Services</i> | \$ 487,875 | \$ 482,307 | 5,568 | 1.1% |
| <i>Non-Personal/Equipment/Other</i> | 97,207 | 89,627 | 7,580 | 7.8% |
| <i>City-Wide Expenses</i> | 120,160 | 97,932 | 22,228 | 18.5% |
| <i>Capital Contributions</i> | 62,657 | 43,439 | 19,218 | 30.7% |
| <i>Transfers</i> | 6,831 | 6,696 | 135 | 2.0% |
| <i>Reserves</i> | 96,666 | - | 96,666 | 100.0% |
| TOTAL GENERAL FUND | \$ 871,396 | \$ 720,001 | \$ 151,395 | 17.4% |

The expenditure savings achieved represents by far the largest element of the General Fund's total \$159.6 million ending fund balance.

Due to the projected revenue shortfall as well as State budget decisions made in September 2002, departments were required to meet reduction targets and submit cost/position management plans. Appropriations were decreased during the Mid-Year Budget Review to reflect these reduction targets. Even with reduced budgets, as reflected in Table D found later in this section, significant departmental savings still 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 (\$96.7 million). The most significant reserve categories remaining at year-end included the following: Reserve for Economic Uncertainty (\$15.8 million); Workers' Compensation Reserve (\$15.0 million); Reserve for 2003-2004 Deficit (\$14.8 million); the Salaries and Benefits Reserve (\$9.3 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$6.8 million); Enhanced Park Maintenance Reserve (\$2.3 million); and the E-Government Applications Reserve (\$1.9 million). Additional, detailed discussion of the reserve status can be found later in this section of the document.

Personal Services savings of \$5.6 million totaled only 1.1% of the variance from the modified budget. This relatively small savings level was just slightly lower than the levels experienced in recent years: 2001-2002 at 1.8%; 2000-2001 at 2.1%; 1999-2000 at 1.5%; 1998-1999 level at 1.3%; and 1997-1998 level at 1.5%. This small savings also reflects in part the fact that savings

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Overview (Cont'd.)

were removed from departmental budgets during the year as part of the Cost/Position Management Plan process. The majority of personal services savings achieved during the past year were generated by the following departments: Information Technology (\$658,000); Police (\$644,000); and Planning, Building, and Code Enforcement (\$644,000). The Personal Services savings in all departments were primarily generated from vacant positions.

General Fund Non-Personal/Equipment/Other¹ expenditures and encumbrances ended the year at \$89.6 million, generating savings from the budgeted level of approximately \$7.6 million (7.8%). A portion of these savings (\$866,000) was rebudgeted into 2003-2004 as part of the Adopted Operating Budget. The majority of departmental rebudgets were generated by the following departments: Planning, Building and Code Enforcement (\$167,500); Information Technology (\$160,000); Library for its grants program (\$112,000); and Transportation (\$97,500). After factoring in these rebudgets, adjusted Non-Personal/Equipment/Other savings totals approximately \$6.7 million (6.9%).

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

In formulating the beginning fund balance estimate included in the 2003-2004 Adopted Budget, the Budget Office utilized projections for year-end expenditure savings. As shown in the following Table C, the actual General Fund Expenditures, Transfers, and Reserves of \$720.0 million were \$14.9 million below (2.0%) the estimated level. This performance, however, primarily reflects a number of projects in both City-Wide Expenses and Capital Contributions that were not completed as planned and are now recommended to be rebudgeted as a part of this document. A major factor contributing to the variance to budget in the Capital Contributions category was the 29 projects (\$9.9 million) put on hold during the last fiscal year and rebudgeted to 2003-2004.

As shown in the following table, expenditures as a subcategory were approximately \$13.7 million below (1.9%) the budgeted estimate of \$727.0 million. Considering the recommended rebudgets/technical adjustments of \$9.98 million, the net variance was only \$3.7 million (0.5%) of the estimated expenditure subtotal. The largest portion of the reserve variance was the Future Allocation Reserve (\$465,769) and the Enhanced Park Maintenance Reserve (\$384,000), the first of which was already rebudgeted as part of the rebalancing action approved by City Council on September 9, 2003 and the second of which is recommended to be rebudgeted as a part of this report.

¹ Other expenditures are primarily comprised of budgets for the Library Department grants program and the Parks, Recreation and Neighborhood Services fee activities program.

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Overview (Cont'd.)

TABLE C
2002-2003
BUDGETED ESTIMATE TO ACTUAL VARIANCES
(In 000s)

| Category | Estimate | Actual | Variance | % Variance |
|---------------------|------------|------------|----------|------------|
| <i>Expenditures</i> | \$ 727,031 | \$ 713,305 | 13,726 | 1.9% |
| <i>Transfers</i> | 6,831 | 6,696 | 135 | 2.0% |
| <i>Reserves</i> | 1,058 | - | 1,058 | N/A |
| <i>Total</i> | \$ 734,920 | \$ 720,001 | 14,919 | 2.0% |

Review of General Fund Expenditure Performance

Departmental costs (\$571.9 million) represented approximately 79.4% of total 2002-2003 General Fund expenditures. As can be seen in Table D, all departments remained within their total budget allocation and expended a cumulative 97.8% of their budgets. Of the City departments/offices, 18 had expenditure savings of less than 5.0% and four had savings between 5.0-10.0%.

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 \$148.1 million, or 20.6% of the total 2002-2003 General Fund expenditures. In this category, 78.1% 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 2003-2004. 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 D
TOTAL GENERAL FUND EXPENDITURES (In \$000s)**

| Departmental | 2002-2003 Modified Budget | 2002-2003 Expenditures | Variance | % |
|---|---------------------------------|---------------------------|----------------|--------------|
| City Attorney | \$ 12,229 | \$ 11,893 | 336 | 2.7% |
| City Auditor | 2,343 | 2,238 | 105 | 4.5% |
| City Clerk | 1,619 | 1,617 | 2 | 0.1% |
| City Manager | 6,872 | 6,659 | 213 | 3.1% |
| Civil Service Commission | 23 | 22 | 1 | 4.3% |
| Economic Development | 2,136 | 1,998 | 138 | 6.5% |
| Emergency Services | 356 | 354 | 2 | 0.6% |
| Employee Services | 7,375 | 7,253 | 122 | 1.7% |
| Environmental Services | 1,912 | 1,791 | 121 | 6.3% |
| Finance | 8,372 | 8,058 | 314 | 3.8% |
| Fire | 111,626 | 110,792 | 834 | 0.7% |
| General Services | 35,605 | 34,610 | 995 | 2.8% |
| Independent Police Auditor | 655 | 633 | 22 | 3.4% |
| Information Technology | 17,562 | 15,993 | 1,569 | 8.9% |
| Library | 22,997 | 22,689 | 308 | 1.3% |
| Mayor & City Council | 7,627 | 6,159 | 1,468 | 19.2% |
| Parks, Recreation & Neighborhood Services | 50,260 | 48,923 | 1,337 | 2.7% |
| Planning, Building & Code Enforcement | 31,653 | 29,570 | 2,083 | 6.6% |
| Planning Commission | 37 | 36 | 1 | 2.7% |
| Police | 217,746 | 215,194 | 2,552 | 1.2% |
| Public Works | 8,361 | 8,230 | 131 | 1.6% |
| Redevelopment Agency | 1,793 | 1,793 | - | 0.0% |
| Transportation | 35,923 | 35,429 | 494 | 1.4% |
| Subtotal | 585,082 | 571,934 | 13,148 | 2.2% |
| Non-Departmental | | | | |
| City-Wide Expenses | 120,160 | 97,932 | 22,228 | 18.5% |
| Capital Contributions | 62,657 | 43,439 | 19,218 | 30.7% |
| Transfers | 6,831 | 6,696 | 135 | 2.0% |
| Contingency Reserve | 23,694 | - | 23,694 | 100.0% |
| Other Reserves | 72,972 | - | 72,972 | 100.0% |
| Subtotal | 286,314 | 148,067 | 138,247 | 48.3% |
| TOTALS | \$ 871,396 | \$ 720,001 | 151,395 | 17.4% |

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Discussion of Significant Variances by Department

- *Fire*

At the end of 2002-2003, the Fire Department had expended 99.3% of its total modified budget of \$111.6 million, with resulting savings of \$833,000. The Personal Services appropriation of \$103.8 million was 99.8% expended, with savings of \$225,000. Overtime expenditures of \$7.9 million, however, ended the year \$300,000 above the modified budget of \$7.6 million. Historically, overtime usage is largely attributed to fulfilling minimum staffing requirements. This year, this higher than budgeted expenditures reflected both the higher than needed non-paramedic firefighter count, and a change in the method of paramedic staffing deployment.

The Department ended last fiscal year with a total of 206 filled paramedics (125 front-line and 81 support), the highest level in the Department's history. The front-line total was however still 22 short of the 147 that are necessary to fully staff all apparatus. During the 2001-2002 fiscal year, to address the paramedic staffing imbalance, and stay within its budget, the Department filled front-line paramedic duty requirements by deploying both front-line and support paramedic personnel. That process, suspended at the beginning of the 2002-2003 fiscal year, resulted in the Department's overtime expenditures tracking higher than expected. A number of actions were implemented during last year to address the front-line paramedic staffing issue. In March, the accelerated paramedic accreditation process for 13 Firefighter Paramedics (initiated in November 2002), resulted in an increase in the number of front-line Paramedics. In addition, 16 Firefighters are currently enrolled in Paramedic School and are expected to be accredited in December 2003, thus further increasing the number of front-line Paramedics to a projected level of 136 (factoring in projected retirements and promotions). The City Manager's Office will continue to work with the Department on long-term solutions to fill front-line paramedic staffing needs.

The Department's Non-Personal/Equipment budget was 92.2% expended, with year-end savings of \$608,000. Approximately 40.0% of the Non-Personal/Equipment savings reflects utilities and vehicle operating expenditures where both budget and expenses are managed and maintained centrally city-wide. Another 15.0% (\$94,170) of these savings were rebudgeted to 2003-2004 as part of the Adopted Budget. These rebudgets will complete purchase of portable radio repeaters and contractual services for translation services, as provided for by grant agreements.

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

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

- *Information Technology*

The Information Technology Department expended 91.1% of its General Fund Budget with resulting savings of \$1.6 million. Personal Services expenditures were 6.3% below (down \$658,000) budgeted levels as a result of salary savings due to vacant positions. Non-Personal/Equipment expenditures were 12.8% below (down \$912,000) budgeted levels. These savings were mainly attributed to contractual services savings (\$253,000) related to the elimination of several consultants, data processing savings (\$211,000) related to the elimination or reduction of hardware and software maintenance/support, and deferred system modification, as well as other miscellaneous savings (\$448,000). A portion of the total Non-Personal/Equipment savings (\$160,000) was rebudgeted to 2003-2004 as part of the Adopted Budget. This rebudget will allow the Department to prepare and execute contracts for the creation of a redundant network cluster that will provide back-up for on-line permitting and the San Jose Permits On-line System.

- *Planning, Building and Code Enforcement*

The Planning, Building and Code Enforcement Department (PBCE) expended 93.4% of its General Fund budget, with resulting savings of \$2.1 million. By budget category, \$644,000 of the savings was in Personal Services and \$1.4 million in Non-Personal/Equipment. The majority of the Personal Services savings was in the Community Code Enforcement Core Service (\$485,000) and the fee program (\$103,000) due to vacant positions. The savings in the fee program are recommended in this document to be added to the Fee Reserves to reconcile actual fee program expenditures for 2002-2003.

The large amount of savings in Non-Personal/Equipment is the result of the planned decrease in expenditures in development-related areas (\$515,000) and planned savings in long range planning activities to generate additional General Fund savings (\$180,000). A large portion of the Non-Personal/Equipment savings (\$342,500) was anticipated and rebudgeted to 2003-2004. The following projects were included in that rebudget amount: Historic Preservation (\$175,000), Fiscal Impact Study of various Housing Production Team recommendations (\$112,500), and website consultant (\$55,000).

In February 2003, the City Council approved the Mayor's Budget Strategy to control costs. With respect to long range land use planning, the direction was to defer or suspend advance land use planning efforts without outside funding and to seek every opportunity to rebid contracts to save costs. To create budget savings, PBCE staff successfully renegotiated an existing contract to broaden design issues affecting all transit corridors and scaled back the

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

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

- *Planning, Building and Code Enforcement (Cont'd.)*

Housing Opportunities Study. The Riparian Action Plan was deferred to generate additional savings.

When comparing the program budgets with the actual costs for Building and Planning Permits, an excess of \$460,000 and \$221,000 respectively results.

- *Police*

The Police Department expended 98.8% of its total budget with resulting savings of \$2.6 million. Approximately \$0.6 million of these savings was in the Personal Services category. Overtime expenditures of \$10.2 million at year-end were 12% below the modified budget of \$11.6 million. Implementation of Department guidelines on overtime usage and proactive management of the overtime budget enabled the Department to keep expenditures below its allocation by year-end. The Department's compensatory time balance was 219,395 hours at the end of fiscal year 2002-2003. This balance was 4.1% above the 2001-2002 year-end balance of 210,724 hours. In accordance with 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 Department's Non-Personal/Equipment budget was 89.1% expended, with savings of about \$1.9 million. The bulk of this savings reflects vehicle operating and replacement expenditures that were reduced as a result of recommendations from the City Auditor. Both the vehicle operating and replacement budget and expenses are managed and maintained centrally city-wide. About \$51,000 of savings in Non-Personal/Equipment were rebudgeted to 2003-2004 as part of the Adopted Budget to complete grant-related activities for domestic violence and child interview center.

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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:

TABLE E
2002-2003
NON-DEPARTMENTAL GENERAL FUND EXPENDITURES
(In \$000s)

| Category | Modified Budget | Actual | Variance | % Variance |
|------------------------------|--------------------|-------------------|----------------|--------------|
| <i>City-Wide Expenses</i> | \$ 120,160 | \$ 97,932 | 22,228 | 18.5% |
| <i>Capital Contributions</i> | 62,657 | 43,439 | 19,218 | 30.7% |
| <i>Transfers</i> | 6,831 | 6,696 | 135 | 2.0% |
| <i>Contingency Reserve</i> | 23,694 | - | 23,694 | 100.0% |
| <i>Other Reserves</i> | 72,972 | - | 72,972 | 100.0% |
| Total | \$ 286,314 | \$ 148,067 | 138,247 | 48.3% |

- *City-Wide Expenses*

A total of 81.5% of the General Fund appropriation for City-Wide Expenses was expended, resulting in savings of \$22.2 million. Approximately half of this amount, \$11.6 million (52%) was rebudgeted as part of the 2003-2004 Adopted Budget. Additional net adjustments of funds totaling \$8.0 million are also recommended as a result of the year-end review, including additional rebudgets, downward adjustments to those appropriations that did not generate the amount of savings required to support rebudgets already approved and revenue-related increases. Details of additional individual projects recommended for rebudgets, rebudget adjustments and other appropriation adjustments are shown in the Section III.

After accounting for only the rebudgets already approved (\$11.6 million) and those recommended in this report (\$7.2 million, net of other adjustments), adjusted net savings in the City-Wide Expenses category totals approximately \$3.4 million (16.2%). 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 – 2002-2003 budget to actual savings realized in this category were \$2.05 million. The 2003-2004 Adopted Budget included rebudgets totaling \$1.6 million, the most significant of which included \$750,000 for Low Income Fund and \$394,261 for Neighborhood Strip Retail Revitalization. After accounting for all rebudgets, therefore, adjusted net savings in this category totals \$474,000. The largest amounts of savings occurred in the Teacher Recruiting (\$50,000) and Neighborhood Clean-ups (\$316,367).

Environmental & Utilities Services – 2002-2003 budget to actual savings realized in this category were \$114,000. They occurred in IDC Garbage Disposal Fees (\$100,399) and \$13,402 in payment of the City's share of Storm Fees.

Public Safety – 2002-2003 budget to actual savings realized in this category were \$3.64 million. The 2003-2004 Adopted Budget included rebudgets totaling \$3.27 million, the most significant of which included \$1.3 million for the Automated Fingerprint ID System and \$1.0 million for the Automated Information System. Additional net adjustments are recommended as part of this report totaling \$576,000, including but not limited to the following: Police Evidence Warehouse Relocation (\$212,285), DUI grant (\$98,285), and Internet Crimes Against Children (\$174,652). After accounting for rebudgets only, therefore, adjusted net savings in this category totaled \$67,000. The largest amounts of savings occurred in the Defibrillator Program (\$34,000) and small amounts of savings in several other appropriations.

Recreation and Cultural Services – 2002-2003 budget to actual savings realized in this category were \$5.97 million. The 2003-2004 Adopted Budget included rebudgets totaling \$4.43 million, the most significant of which included \$1.24 million for the Animal Care and Service Program and \$1.15 million for the Neighborhood Revitalization Strategy. Additional net adjustments are recommended as part of this report totaling \$1.2 million and include but are not limited to Rancho del Pueblo Golf Course Debt Service (\$111,156) and Packard Foundation for Education (\$827,106). After accounting for rebudgets only, adjusted net savings in this category totaled \$781,000. The largest amounts of savings occurred in Rental Public Education and Outreach Program (\$71,907), Anti-Tobacco Program (\$91,334) and small amounts of savings in several other appropriations.

Transportation Services – 2002-2003 budget to actual savings realized in this category were \$245,000 and primarily reflect saving in Processing of Parking Citations (\$94,722), Sidewalk Fund (\$85,442), and small amounts of savings in several other appropriations.

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

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

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

Strategic Support - 2002-2003 budget to actual savings realized in this category were \$10.2 million. The 2003-2004 Adopted Budget included rebudgets totaling \$2.27 million, the most significant of which included \$550,000 for the Revenue Enhancement/Consulting Services and \$393,815 for the Payroll/Human Resources Project. Additional net adjustment are recommended as part of this report totaling \$6.2 million and include but are not limited to \$3.97 million for General Liability Claims, and \$907,722 for Workers' Compensation Claims. After accounting for rebudgets only, therefore, adjusted net savings in this category totaled \$1,678,000. The largest amounts of savings occurred in Customer Service and Information Center (\$408,694), Revenue Enhancement/Consulting Services (\$327,751), General Employee Tuition (\$252,570), Central Service Yard Debt Service (\$80,441), Class/Comp Study (\$73,269), and smaller amounts in various other appropriations.

- *Capital Contributions*

In 2002-2003, the General Fund provided funding totaling \$62.7 million for capital projects. Of this amount, approximately \$19.2 million was unexpended at year-end. The projects with the largest unexpended balances included:

| <u>Capital Projects</u> | <u>(\$000s)</u> |
|--|------------------|
| 29 Capital Projects on Hold for Rebalancing Plan | \$ 9,935 |
| Fire Apparatus Replacement and Repair | 1,894 |
| Vineland Library Furniture, Fixtures and Equipment | 900 |
| Alviso Education Center | 675 |
| Park and Recreation Bond Projects | 588 |
| Animal Shelter Facility | 563 |
| Los Lagos Golf Course | 485 |
| Fire Reserve Apparatus Equipment | 305 |
| Security Improvements | 250 |
| All Other Projects | <u>3,623</u> |
| Total Unexpended Capital Projects | \$ 19,218 |

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

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

- *Capital Contributions (Cont'd.)*

Of the \$19.2 million in unexpended funds, a large portion (\$16.1 million) was rebudgeted as part of the 2003-2004 Adopted Budget. An additional net total of \$1.6 million in rebudget adjustments are recommended in this report. After adjusting for these rebudgets, the net savings in the General Fund Capital category is \$1.6 million that was generated from almost 60 projects city-wide.

- *Transfers*

Actual Transfers to other funds totaled \$6.7 million with 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 2002-2003 totaled \$315,595, resulting in savings of \$134,405 from the \$450,000 originally budgeted.

- *Reserves*

General Fund Reserve categories include Earmarked Reserves, the Contingency Reserve, and the Ending Fund Balance Reserve. On June 30, 2003, the total reserve balance was \$96.7 million. Of this amount, \$71.9 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 (\$9.3 million); 2003-2004 (Deficit) Reserve (\$14.8 million); Measure O&P/City Hall/SNI/Fire MP Reserve (\$6.8 million); and Reserves for Development-Related Activities (\$3.0 million).

The majority of the Earmarked Reserves were approved for rebudget to 2003-2004 as part of the Adopted Budget and appropriated either as reserves or as allocations for the intended purposes. The Ending Fund Balance Reserve of \$1.1 million was assumed as available for allocation as part of the 2003-2004 available Beginning Fund Balance. An additional \$800,000 is recommended for rebudget into 2003-2004 in this report.

At the end of the year, the General Fund Contingency Reserve balance was \$23.7 million. During 2002-2003, the Contingency Reserve decreased by a net total of approximately \$800,000 from the Adopted Budget level of \$24.5 million. The following adjustments were approved during the year:

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

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

• *Reserves (Cont'd.)*

- A decrease of \$27,500 to provide matching funds for an Office of Criminal Justice Planning "Domestic Violence" grant.
- A decrease of \$35,000 to provide for studies required to amend the General Plan related to the Almaden Youth Association Agreement.
- A decrease of \$101,500 to provide matching funds for the Local Law Enforcement Block Grant.
- A decrease of \$140,000 to provide additional funds related to the Campaign Review and Ethics Board.
- A decrease of \$500,000 to provide additional funds for the Senior Staff Home Loan Assistance Program.
- A decrease of \$50,000 to provide additional funding for the City Clerk's Office to reflect estimated 2002-2003 expenses.

The year-end General Fund Contingency Reserve balance of \$23.7 million represented approximately 3.0% 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.

As approved by City Council in January, one of the budget control actions implemented by the Administration was to create procedures to have all overtime expenditures be personally pre-approved by department directors and overtime was to be used for only emergency or genuinely unavoidable purposes. Given this, departments cumulatively expended only 93.0% of the General Fund overtime budget.

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Review of Overtime Expenditure Performance (Cont'd.)

While General Fund overtime expenditures in 2002-2003 represented only 4.1% 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 2002-2003 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 three departments.

General Services Department's overtime expenditures exceeded budget by \$139,000 (34.1%) primarily to offset the high vacancy rate in Fleet Management, ensuring repairs were completed to maintain public safety fleet availability and to meet Occupational Safety and Health Administration inspection requirements. In addition, overtime was used in Parks Maintenance and Facilities Management to provide holiday coverage and respond to emergencies after hours as well as services needed for the increased number of special events.

The Conventions, Arts and Entertainment Department's overtime expenditures exceeded budget by \$55,000 (22.7%) 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.

The Fire Department's overtime expenditure exceeded budget by \$288,000 (3.8%). A detailed discussion of this matter is provided in the *Discussion of Significant Variances by Department* section of this document.

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GENERAL FUND EXPENDITURE PERFORMANCE (CONT'D.)

Review of Overtime Expenditure Performance (Cont'd.)

TABLE F
2002-2003
Departmental Over-Time Expenditures and Variances

| Department | Modified Overtime Budget General Fund | Modified Overtime Budget Other Funds | Modified Overtime Budget TOTAL | Overtime Actuals General Fund | Overtime Actuals Other Funds | Overtime Actuals TOTAL | Total Budget to Actuals Variance | % |
|----------------------------|---|--|---|--|---------------------------------------|------------------------------|---|-------------|
| Airport | - | \$ 366,310 | \$ 366,310 | - | \$ 232,677 | \$ 232,677 | 133,633 | 36.5% |
| City Attorney | 29,309 | - | 29,309 | 7,531 | 4,181 | 11,712 | 17,597 | 60.0% |
| City Auditor | - | - | - | - | - | - | - | 0.0% |
| City Clerk | 1,575 | - | 1,575 | 1,681 | - | 1,681 | (106) | (6.7%) |
| City Manager | 78,697 | - | 78,697 | 35,079 | 3,186 | 38,265 | 40,432 | 51.4% |
| Conv, Arts, & Entertain | - | 244,383 | 244,383 | - | 299,743 | 299,743 | (55,360) | (22.7%) |
| Economic Development | - | - | - | 126 | - | 126 | (126) | N/A |
| Employee Services | 42,128 | - | 42,128 | 23,166 | 1,722 | 24,888 | 17,240 | 40.9% |
| Environmental Services | - | 967,867 | 967,867 | (908) | 962,503 | 961,595 | 6,272 | 0.6% |
| Finance | 81,129 | 24,636 | 105,765 | 35,794 | 1,572 | 37,366 | 68,399 | 64.7% |
| Fire | 7,614,697 | - | 7,614,697 | 7,902,696 | - | 7,902,696 | (287,999) | (3.8%) |
| General Services | 252,195 | 155,924 | 408,119 | 309,271 | 238,015 | 547,286 | (139,167) | (34.1%) |
| Mayor & City Council | - | - | - | 1,504 | - | 1,504 | (1,504) | N/A |
| Housing | - | 30,075 | 30,075 | - | 13,813 | 13,813 | 16,262 | 54.1% |
| Independent Police Auditor | 6,890 | - | 6,890 | 995 | - | 995 | 5,895 | 85.6% |
| Information Technology | 137,558 | - | 137,558 | 134,224 | 6,150 | 140,374 | (2,816) | (2.0%) |
| Library | 136,645 | - | 136,645 | 131,549 | - | 131,549 | 5,096 | 3.7% |
| Parks, Rec & Neigh Svcs | 387,527 | 2,026 | 389,553 | 370,575 | 6,739 | 377,314 | 12,239 | 3.1% |
| Planning, Bldg & Code Enf | 357,940 | - | 357,940 | 293,090 | 7,362 | 300,452 | 57,488 | 16.1% |
| Police | 11,579,115 | - | 11,579,115 | 10,157,217 | - | 10,157,217 | 1,421,898 | 12.3% |
| Public Works | 70,742 | 1,715 | 72,457 | 72,948 | 6,140 | 79,088 | (6,631) | (9.2%) |
| Transportation | 688,323 | 355,325 | 1,043,648 | 445,573 | 453,816 | 899,389 | 144,259 | 13.8% |
| | \$ 21,464,470 | \$ 2,148,261 | \$ 23,612,731 | \$ 19,922,111 | \$ 2,237,619 | \$ 22,159,730 | 1,453,001 | 6.2% |



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II. OTHER FUNDS

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ENTERPRISE FUNDS

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.

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|-----------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 510,471 | \$ 59,146 | \$ (451,325) | (88.4%) |
| <i>Expenditure</i> | 194,239 | 144,606 | 49,633 | 25.6% |
| <i>Fund Balance (est.)*</i> | 155,109 * | 166,269 | 11,160 | 7.2% |

The negative revenue variance of \$451.4 million was due almost entirely to the lower than budgeted use of financing for security-related improvements (\$450.0 million). When the 2002-2003 budget was developed, a \$450 million reserve for Airport security mandates was added to provide funding for permanent security screening improvements mandated by the Transportation Security Administration (TSA). This reserve was to be financed from bond proceeds that would be transferred from the Airport Fiscal Agent Fund. During the year, however, only \$27.4 million of this reserve was appropriated. These security-related improvements were funded by commercial paper rather than by bond proceeds. In 2003-2004, several security-related infrastructure improvements are planned, the largest of which is the North Concourse. These improvements will be largely financed through the issuance of bonds.

Transfers, grant revenue, and Passenger Facility Charges also tracked below budgeted levels. The full transfer to the Airport Renewal and Replacement Fund was unnecessary due to the use of commercial paper proceeds to fund security related projects previously funded in the Airport Renewal and Replacement Fund. This resulted in a negative variance of \$1.9 million. Grant revenues were lower than anticipated by \$1.7 million due to changes in the scope of work in the acoustical treatment at the Center for Employment Training, which resulted in the delay in awarding the contract and receiving cost reimbursements. Passenger Facility Charges were also lower than anticipated (\$493,000) as a result of the continuing effects of the terrorist attacks of September 11, 2001, and the economic downturn that have impacted passenger activity levels. These negative variances were partially offset by higher than anticipated interest earnings (\$1.8 million) and the aforementioned use of commercial paper (\$1.2 million).

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ENTERPRISE FUNDS (CONT'D.)

Airport Capital Funds (Cont'd.)

The expenditure variance was due to lower than budgeted project expenditures (\$49.6 million). The following is a list of the major unexpended projects (\$000's):

| | |
|--|------------------|
| Extend and Strengthen Runway 30L | \$ 20,970 |
| Noise Attenuation Treatment -- Category 1B | 6,793 |
| Rental Car Garage | 2,806 |
| Cargo Ramp Security and Taxiway Improvements | 2,800 |
| Skyport Grade Separation | 1,852 |
| Noise Attenuation Treatment -- Schools | 1,486 |
| Noise Attenuation Treatment -- Category I | 1,150 |
| Traffic Mitigation | 745 |
| Noise Attenuation Treatment -- Category II/III | 693 |
| Taxiway Y Reconstruction | 611 |
| Interim Air Cargo Ramp Expansion | 594 |
| Noise Attenuation Testing -- Category II/III | 568 |
| Consolidated Terminal Concept | 563 |
| Security System Upgrades | 520 |
| Equipment, Operating | 513 |
| Advanced Planning | 477 |
| North Concourse Site Facilities Relocation | 473 |
| Taxiway Z Extension | 435 |
| Terminal Drive Improvements | 401 |
| Central Utility Plant | 399 |
| Elements of Master Plan Studies | 335 |
| Runway 30R Extension | <u>305</u> |
| Total | \$ 45,489 |

The following is an explanation of major project variances:

- The Extend and Strengthen Runway 30L project variance reflects the additional time needed to obtain FAA approval on the project design. This resulted in the delay of the contract award. Approximately \$21.0 million was rebudgeted to the current year.

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ENTERPRISE FUNDS (CONT'D.)

Airport Capital Funds (Cont'd.)

- The Noise Attenuation Treatment – Category IB project experienced a higher than anticipated number of eligible homes. The percentage of historical homes identified in the first phase of the project exceeded expectation, resulting in a longer FAA approval process. As a result, there was a lower number of homes ready for construction contract awards. These funds have been rebudgeted to the current year (\$6.8 million).
- The Rental Car Garage project has been deferred resulting in a variance in this project. The construction schedule for this project has been moved to 2004-2005, in order to allow staff to concentrate on Measure A implementation projects.
- The Cargo Ramp Security and Taxiway Improvements project variance reflects the rebudget of funds to the current year (\$2.8 million) to provide for engineering and inspection costs as well as contract contingency costs.
- The Skyport Grade Separation project variance reflects the rebudget of funds to the current year (\$1.8 million) to provide funds for inspection and contingency costs to complete the project. Completion of the project has been delayed due to dispute resolution on quality issues and contractor's claims.
- The Noise Attenuation Treatment - Schools project variance was a result of a lower construction contract award for the Center for Employment Training Center (CET) acoustical treatment project. The savings have been rebudgeted to the current year to provide funds to treat the additional rooms at CET that are now qualified for treatment.
- The Noise Attenuation Treatment – Category I project savings is a result of a reevaluation period that processed the requests for qualification for some phases of the Noise Attenuation Program project, resulting in delays in the contract award. The savings amount of \$1.2 million will be rebudgeted to the current year. This amount will provide funds to treat remaining homes in this category, which include the Lafayette America neighborhood and a clubhouse in the Lake Santa Clara Townhomes complex.
- The Traffic Mitigation project has been deferred resulting in a variance in this project. The construction schedule for this project has been moved to 2004-2005, in order to allow staff to concentrate on Measure A implementation projects.

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ENTERPRISE FUNDS (CONT'D.)

Airport Capital Funds (Cont'd.)

- The Noise Attenuation Treatment – Category II/III project variance is caused by a need to clarify the changes in project scope, resulting in the delays in award the contracts. The savings of \$.4 million will be rebudgeted to the current year. This amount will provide funds to treat certain schools eligible for treatment as well as focused treatment of approximately 18 homes in the Rosemary Garden area. The remaining variance will be reprogrammed to support this project in the future years.
- The Taxiway Y Reconstruction project variance reflects the delay in the design of the project due to the cost efficiency study that had to be completed. The savings have been rebudgeted to the current year.
- The variances in the Interim Air Cargo Ramp Expansion, Consolidated Terminal Concept, Taxiway Z Extension, Central Utility Plant and Advanced Planning projects were the result of changes in the funding strategies. These projects have been determined to be security related and are now being funded by commercial paper and accounted for in the Airport Bond Improvement Fund. Approximately \$300,000 of the project variance in Advanced Planning has been rebudgeted to the current year to provide funding for non-security related planning work.
- The Noise Attenuation Testing – Category II/III project received a lower than anticipated number of residents requesting testing. This project's savings of \$.5 million will be rebudgeted to the current year. This amount will provide funds for continued testing of homes on an as-needed basis and testing of schools identified in the Supplemental Environmental Impact Report. Schools identified include Bachrodt Elementary and Notre Dame High School located in San José and Mayne Elementary School located in Alviso. The remaining variance will be reprogrammed to future years.
- The Security System Upgrades project variance reflects the rebudget of funds to the current year in order to provide funds for post construction contingency costs. Completion of the project has been delayed due to a resolution dispute with the contractor.
- The Equipment, Operating project variance is due to several factors: the liquidation of several encumbrances, equipment savings and unspent funds. Approximately \$411,000 of the project savings balance has been rebudgeted to the current year.

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ENTERPRISE FUNDS (CONT'D.)

Airport Capital Funds (Cont'd.)

- The site for the relocation in the North Concourse Site Facilities Relocation project, including the USO facility, the training center, and the trash compactor, has not yet been identified, causing a delay in the purchase of the trailers. The savings will provide funds for the purchase and installation of trailers in the current year.
- The Transportation Improvements project was delayed due to a resolution dispute with the contractor on quality issues and contractor's claims. The savings, rebudgeted to the current year, will provide funds for inspection and contingency costs to complete the project.
- The Elements of Master Plan Studies project variance reflects the rebudget of funds to the current year. This amount will provide funds for Security, Warehouse and Wireless Access master plan studies.
- The Runway 30R Extension has been completed and the project variance reflects a combination of project savings and liquidation of encumbrances.

The remaining \$4.1 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 2002-2003 ending fund variance of \$11.2 million was primarily the result of lower than anticipated expenditures (\$19.6 million). This positive variance was partially offset by lower than estimated revenues and transfer and the reduction of available commercial paper (\$6.6 million), and a change in the accounting treatment of unrealized gains and losses (\$1.8 million). The largest element of the revenue variance is primarily attributed to the decrease in the transfers as mentioned above. Portions of the expenditure savings are being recommended for rebudget to provide sufficient funding for projects in the current fiscal year. Most of the remainder of the expenditure savings will remain unallocated as the Airport continues to review its capital project priorities in order to focus on meeting security mandates.

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ENTERPRISE FUNDS (CONT'D.)

Airport Operating Funds

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

Airport Operating Funds

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|------------|------------|--------------|---------------------|
| <i>Revenue</i> | \$ 673,736 | \$ 301,624 | \$ (372,112) | (55.2%) |
| <i>Expenditure</i> | 690,069 | 307,189 | (382,880) | (55.5%) |
| <i>Fund Balance (est. *)</i> | 48,912 * | 54,261 | 5,349 | 10.9% |

The most significant reason for the revenue and expenditure variances listed above is the budgetary treatment of both anticipated bond revenue and expenditures related to a \$450 million reserve for security mandates. In anticipation of construction of security facilities, the 2002-2003 capital budget included this reserve, made available to fund permanent security screening improvements mandated by the Transportation Security Administration (TSA). After San José residents approved the Airport Security and Traffic Relief Act (ASTRA) ballot measure in March 2003, Council appropriated \$27.4 million from the reserve to begin initial studies and designs of a new North Concourse facility. This amount represented only a small portion of the reserve and was funded by commercial paper instead of bonds. Security improvements related to the North Concourse Building are currently being designed and developed, and represent operational necessities for the Airport, both to improve customer service to reduce delays and congestion, as well as to meet new security regulatory mandates efficiently.

The impact of holding much of this reserve for use in 2003-2004 was that both revenue collections and expense transfers to Airport capital funds were \$450 million lower than budgeted.

The variance above involves more than the lower than budgeted revenues and expenditures for the security project reserve. Another large portion of variance is the recognition of the City's refinancing of Airport Revenue Bonds Series 1992 and 1993. The City issued \$53.6 million of Series 2002A and \$37.9 million of Series 2002B bonds on January 9, 2003. The refunding achieved approximately \$6.3 million in net present value debt service savings for the Airport (savings equaled approximately 6% of the par amount of the outstanding Series 1992 and 1993

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ENTERPRISE FUNDS (CONT'D.)

Airport Operating Funds (Cont'd.)

Bonds). The refinancing action increased bond revenues and expenditures in Airport Funds by approximately \$100 million which was not reflected in the 2002-2003 Airport budget.

In order to fully describe the remaining variances, an adjusted budget to actual matrix is provided below, which excludes both the security reserve and bond refinancing. The remaining figures reflect revenues and expenditures for Airport operations, as well as additional amounts for inter-fund transfer and other non-operational costs, such as remaining debt service and the retention of reserves.

***Airport Operating Funds -- Adjusted
(Net of Security Reserve/Bond Refinancing)***

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|-------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue (Adjusted)</i> | \$ 223,736 | \$ 203,990 | \$ (19,746) | (8.8%) |
| <i>Expenditure (Adjusted)</i> | 240,069 | 205,430 | \$ (34,639) | (14.4%) |

Of the remaining \$19.8 million variance in revenues, a total of \$16.2 million reflects a transfer reduction to the Airport Maintenance & Operation Fund. The lower than budgeted transfer is related to actual savings in the Airport Maintenance & Operation Fund and is the result of the Airport's carefully managed and implemented cost control plan which significantly reduced Airport's 2002-2003 operational expenses, reserve use and encumbrances. The success of these cost savings measures in turn permitted the Airport to reduce the budget transfers to the Maintenance and Operation Fund. An additional revenue variance of almost \$1.9 million reflects lower transfers to the Airport Fiscal Agent Fund required for annual debt service. During 2002-2003 the Airport was able to refund a portion of its outstanding bonds, resulting in significant savings to debt service costs in the Fiscal Agent Fund. The remaining revenue variance (\$1.9 million) represents reduced transfers necessary to Airport capital funds, where lower expenditure levels and project savings produced lower than budgeted transfer requirements.

The savings noted above that reduced Airport transfers (revenue) are also reflected in the expenditure variance of -\$34.6 million. Total transfers were less than budget by \$21.6 million reflecting both expenditure and reserve savings in several funds. During 2002-2003, the Airport established targeted savings of \$3.6 million in service and program reductions to help balance operational expenses with anticipated revenues. Through careful monitoring and management of resources, the Airport exceeded this goal by more than 100 percent, saving \$8.1 million in

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ENTERPRISE FUNDS (CONT'D.)

Airport Operating Funds (Cont'd.)

personal services, non-personal and interdepartmental costs. Airport implementation of the Mayor's direction to review and reduce outstanding consultant contracts, resulted in savings of \$1.5 million to the department's contractual service budget. In addition, the many vacancies and delays to hiring caused by the hiring freeze accounted for almost \$1 million in personal service savings. Overtime expenditures were 36.5% below budget and were over \$167,000 less than overtime expenses in 2001-2002. During 2002-2003, paid overtime was restricted to provide critical holiday coverage, after-hours emergency response and mandated staffing levels.

Additional expenditure savings occurred in the Airport Customer Facility and Transportation Fee Fund (\$460,000) from reduced operating costs associated mainly with rental car shuttle bus hours. Airport Fiscal Agent Fund expenditures were \$4.6 million less than budgeted due to the refinancing of bonds and the resulting lower interest payments.

The overall fund balance variance of \$5.3 million is the combined result of lower than estimated transfers and additional expenditure savings in the various Airport funds. A Senior Office Specialist position, defunded during the development/in the 2003-2004 Adopted Budget, has been re-funded. There is no new funding needed as the position will be paid from salary savings.

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ENTERPRISE FUNDS (CONT'D.)

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.

***General Purpose
Parking Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 11,055 | \$ 10,868 | \$ (187) | (1.7%) |
| <i>Expenditure</i> | 23,115 | 9,042 | 14,073 | 60.9% |
| <i>Fund Balance (est. *)</i> | 17,346 * | 18,833 | 1,487 | 8.6% |

The negative revenue variance of \$187,000 is primarily due to lower than anticipated revenues collected in City parking lots (variance of negative \$565,000) which was partially offset by higher than budgeted interest collections (variance of \$375,000). The economic slowdown combined with high office vacancy rates in the downtown continued to depress transient and monthly parking revenues. In addition, revenues were impacted by the expansion of the Downtown Retail Validation Program to all merchants and restaurants in the downtown. Although the revenue variance to the budgeted figure is \$187,000, the estimates for 2002-2003 that were used in the development of the 2003-2004 Adopted Budget varied from actual year-end results by only \$21,000 or less than 2/10ths of 1%.

Savings in the General Purpose Parking Fund for 2002-2003 resulted in a \$14.1 million positive variance from budgeted program expenditures. However, the 2002-2003 expenditure estimates used to develop the 2003-2004 Adopted Budget varied from actual year-end results by only \$1.5 million. Almost all of the variance to budget is due to expenditure changes in the Capital Program (\$12.4 million) where several capital projects had costs carried over to 2003-2004. The balance of the costs needed to complete the projects were rebudgeted as part of the 2003-2004 Adopted Capital Budget for the Parking Guidance System project (\$2,137,000), the Third Street Garage Seismic Upgrade project (\$1,085,000), the Revenue Control Equipment Replacement and Integration project (\$481,000), and the Facility Improvements project. In addition, \$7.75 million that was budgeted as a transfer to the San José Redevelopment Agency (SJRA) to help finance land acquisition and design of new parking garages in the downtown was rebudgeted to 2003-2004. Due to the prolonged economic downturn, the planning of the parking garages is on hold and the \$7.75 million remains in the Parking Fund Reserve.

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ENTERPRISE FUNDS (CONT'D.)

General Purpose Parking Fund (Cont'd.)

The remainder of the expenditure variance is due to savings in the Non-Personal/Equipment and Personal Services costs for the Department of Transportation, and to lower than estimated transfers. Non-Personal/Equipment expenses were \$1.2 million (17.6%) below budgeted estimates due to disciplined management of contractual services costs and because several programs were not implemented given the slowdown in the economy (Valet/Stack Parking, Car/Vanpool Program, and Eco-Pass Subsidy). Personal Services ended the year below budget by approximately \$164,000 (13.0%) due to vacancy savings. Transfers to the Conventions, Arts and Entertainment Department and to the SJRA were \$234,000 (19.8%) lower than budgeted. The transfers are based on net surplus revenue received at the Convention Center Garage and the Fourth and San Fernando Garage, and weaker than anticipated revenues also depressed the transfers.

The positive variance of \$1.5 million in the ending fund balance primarily reflects encumbrance reductions, lower than estimated transfers for the Convention Center, and lower than estimated expenditures in the Capital Program and in the Department of Transportation's Personal Services.

Water Funds (Cont'd.)

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ENTERPRISE FUNDS (CONT'D.)

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.

***Sanitary Sewer
Connection Fee Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|----------|----------|----------|---------------------|
| <i>Revenue</i> | \$ 7,200 | \$ 6,505 | \$ (695) | (9.7%) |
| <i>Expenditure</i> | 23,436 | 16,502 | \$ 6,934 | 29.6% |
| <i>Fund Balance (est. *)</i> | 13,891 * | 18,227 | \$ 4,336 | 31.2% |

The negative revenue variance of \$695,000 reflected lower than budgeted Joint Participation revenues (\$1.5 million variance), and rental income (\$30,000 variance), only partially offset by higher Connection Fees (\$613,000 variance) and interest earnings (\$222,000 variance). Joint Participation revenues were less than estimated due to schedule changes in several projects that lowered the amount reimbursed from other agencies.

The \$6.9 million positive expenditure variance is primarily attributed to lower than estimated project expenditures. Of this amount, \$750,000 was rebudgeted in the Adopted Capital Budget for 2003-2004. The following is a list of major unexpended projects (\$000's):

| | |
|-------------------------------|-----------------|
| San Tomas Expressway Trunk | \$ 3,263 |
| Infiltration Reduction | 1,966 |
| Julian-Sunol Sewer Rehab | 503 |
| Miscellaneous Projects | 395 |
| Monterey-Riverside Supplement | 355 |
| Total | \$ 6,482 |

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ENTERPRISE FUNDS (CONT'D.)

Sanitary Sewer Connection Fee Fund (Cont'd.)

The following is an explanation of project variances:

- San Tomas Expressway Trunk – Construction activities on this project continues into 2003-2004. Funding of \$3.0 million was rebudgeted in the 2003-2004 Adopted Capital Budget to fund the closeout of this project. Additional project savings of \$263,000 is recommended to be rebudgeted in this document for 2003-2004.
- Infiltration Reduction – Cost savings in this category, designated for responses to infiltration and inflow into the sewer system, resulted because these funds were not needed in 2002-2003. A rebudget of these savings are recommended for 2003-2004 to fund anticipated infiltration and inflow projects.
- Julian-Sunol Rehab – Construction activities on this project continues into 2003-2004. Funding of \$350,000 was rebudgeted in the 2003-2004 Adopted Capital Budget to fund the closeout of this project.
- Miscellaneous Projects – Savings in this category, designated for emergency pipe repair or rehabilitation, resulted because these funds were not needed in 2002-2003. A rebudget of \$395,000 is recommended in this document for 2003-2004.
- Monterey-Riverside Supplement - The construction was extended due to difficult groundwater and tunneling conditions. Funding of \$400,000 was rebudgeted in the 2003-2004 Adopted Capital Budget to fund the closeout of this project.

The remaining \$453,000 variance involves a number of projects with savings of less than \$300,000.

Project savings totaling \$167,000 is recommended for rebudget to 2003-2004 for the following projects: Edenvale Sanitary Supplement, Phase V (\$118,000), 4th Interceptor (\$29,000), and Monterey-Riverside Sewer (\$20,000). Additional funding is also recommended for the Monterey-Riverside Sewer (\$420,000) project in order to provide funding to rebid this project. In addition, a total budget reduction of \$45,000 is included in this document for the Monterey-Riverside Supplement project because this project did not meet sufficient savings to cover the amount programmed in the 2003-2004 Adopted Capital Budget.

The Sanitary Sewer Connection Fee Fund ended the year above the estimated fund balance (\$4.3 million variance) primarily due to project savings discussed above and higher than anticipated Connection Fee revenues (\$613,000).

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ENTERPRISE FUNDS (CONT'D.)

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.

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

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|-----------|---------------------|
| <i>Revenue</i> | \$ 17,000 | \$ 17,308 | \$ 308 | 1.8% |
| <i>Expenditure</i> | 40,253 | 15,691 | \$ 24,562 | 61.0% |
| <i>Fund Balance (est. *)</i> | 32,055 * | 37,707 | \$ 5,652 | 17.6% |

The positive revenue variance of \$308,000 is the result of higher than budgeted interest collections.

The \$24.6 million positive variance in expenditures is primarily attributed to lower than estimated project expenditures. Of this amount, \$1,913,000 was rebudgeted in the 2003-2004 Adopted Capital Budget. The following is a list of major unexpended projects (\$000's):

| | |
|---------------------------------------|------------------|
| 60" Brick Interceptor | \$ 18,359 |
| Miscellaneous Rehabilitation Projects | 2,793 |
| Trimble Morrill Sewer | 1,739 |
| San Tomas Aquino Creek Trunk | 541 |
| Total | \$ 23,432 |

The following is an explanation of project variances:

- 60" Brick Interceptor – Design work is currently in progress and will continue into 2003-2004. The majority of the savings (\$18.0 million) was reprogrammed to 2003-2004 in the 2003-2004 Adopted Capital Budget for ongoing design and contract award. Additional project savings of \$359,000 is recommended for rebudget to 2003-2004.

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ENTERPRISE FUNDS (CONT'D.)

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

- **Miscellaneous Rehabilitation Projects** – Savings in this category, designated for emergency pipe repair or rehabilitation, resulted because these funds were not needed in 2002-2003. These savings, totaling \$2.8 million are recommended for rebudget to 2003-2004.
- **Trimble Morrill Sewer** – Savings in this project resulted from the liquidation of funds for the initial contract award, which will be terminated and rebid in 2003-2004. Funding of \$1.4 million was rebudgeted in the 2003-2004 Adopted Capital Budget. Additional project savings of \$339,000 is recommended for rebudget to 2003-2004.
- **San Tomas Aquino Creek Trunk** – Project savings resulted from the continuation of this project into 2003-2004. Project savings totaling \$541,000 is recommended for rebudget to 2003-2004 in this document.

The remaining \$1.1 million variance involves a number of projects with less than \$250,000 in unexpended funds, and is largely attributed to delays in project awards.

Additional rebudgets totaling \$393,000 for 2003-2004 are included in this document for the following projects: Fourth Interceptor (\$141,000), Monterey-Riverside Sewer (\$55,000), Forest-Rosa Sewer (\$50,000), East San Jose (\$50,000), 60" Reinforced Concrete Pipe (\$43,000), Hester-Naglee Area (\$22,000), Evergreen Sewer (\$12,000), Taylor Street Brick Sewer (\$10,000), and the Rosemary Area (\$10,000) projects.

Several projects did not meet sufficient savings to cover the amount programmed in the 2003-2004 Adopted Capital Budget. Therefore, a total 2003-2004 budget reduction of \$21,000 is included in this document for the Third Ward Area (\$7,000), Fourth Ward Area (\$7,000), and the Forest-Rosa Supplement (\$7,000) projects.

The 2002-2003 ending fund balance variance (\$5.7 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.)

Treatment Plant Capital Fund

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

***Treatment Plant
Capital Fund***

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 21,928 | \$ 16,145 | \$ (5,783) | (26.4%) |
| <i>Expenditure</i> | 120,876 | 76,220 | \$ 44,656 | 36.9% |
| <i>Fund Balance (est. *)</i> | 113,233 * | 101,820 | \$ (11,413) | (10.1%) |

The negative revenue variance of \$5.8 million reflects mainly lower than budgeted contributions from tributary agencies (\$7.7 million variance) due to project delays, and lower than budgeted grant revenues (\$2.4 million). This shortfall was only partially offset by higher than budgeted interest collections (\$1.8 million variance) and other miscellaneous revenues (\$2.5 million).

Unexpended project funds resulted in a \$44.7 million positive variance in budgeted program expenditures. Funding of \$55.2 million was rebudgeted in the Adopted Capital Budget for 2003-2004. The following is a list of projects that had an unexpended balance exceeding \$500,000:

| | <u>(\$000's)</u> |
|---|------------------|
| Revised SBAP - SBWR Extension | \$ 27,630 |
| Bufferland Evaluation and Acquisition | 4,929 |
| Plant Infrastructure Improvements | 2,737 |
| Revised SBAP - I/I Reduction | 2,583 |
| Salt Marsh Restoration | 2,500 |
| Plant Electrical Reliability | 1,336 |
| Equipment Replacement | 636 |
| Inactive Lagoons Bio-Solids Removal | 626 |
| Revised SBAP - Industrial Recycle/Reuse | <u>568</u> |
| Total | \$ 43,545 |

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ENTERPRISE FUNDS (CONT'D.)

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 the need for additional environmental review of re-aligned pipelines in Santa Clara and San José and the acquisition of the Zone 3 Reservoir site in South San José. A rebudget of \$30.8 million was included in the 2003-2004 Adopted Capital Budget.
- Bufferland Evaluation and Acquisition – Funding of \$18.4 million was rebudgeted as part of the 2003-2004 Adopted Capital Budget, however funding was expended sooner than anticipated.
- Plant Infrastructure Improvements – Savings of \$680,000 was rebudgeted as part of the 2003-2004 Adopted Capital Budget. Net project savings of \$2.1 million resulted because these funds were not needed in 2002-2003.
- Revised SBAP – Inflow/Infiltration Reduction – Water conservation efforts combined with drier weather conditions have resulted in lower plant flows and fewer projects being submitted for this program, which aims to reduce the groundwater and surface runoff entering the sewer system.
- Salt Marsh Restoration – Continuing negotiations to address outstanding mitigation issues and the permit approval process continue into 2003-2004. The expenditure variance was rebudgeted as part of the 2003-2004 Adopted Capital Budget.
- Plant Electrical Reliability (formerly Electrical System Improvements) – The project variance resulted from a delayed contract award. Project savings were rebudgeted in the 2003-2004 Adopted Capital Budget.
- Equipment Replacement – Savings in this category, designated for replacement and rehabilitation of equipment, resulted because these funds were not needed in 2002-2003.

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ENTERPRISE FUNDS (CONT'D.)

Treatment Plant Capital Fund (Cont'd.)

- **Inactive Lagoons Bio-Solids Removal (formerly Residual Sludge Facilities) – Savings of \$500,000 was rebudgeted as part of the 2003-2004 Adopted Capital Budget. Net project savings of \$126,000 resulted because these funds were not needed in 2002-2003.**
- **Revised SBAP – Industrial Recycle/Reuse – Industrial reuse projects continue into 2003-2004. These projects take an average of six months to a year from application to project completion. Funding of \$232,000 was rebudgeted as part of the 2003-2004 Adopted Capital Budget.**

The remaining \$1.2 million 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 2003-2004 Adopted Capital Budget. Therefore, a total budget reduction of \$17.0 million is included in this document for the Bufferland Evaluation and Acquisition (\$13.5 million), Revised SBAP – SBWR Extension (\$3.2 million), Electrical System Improvements (\$335,000), and the South Bay Water Recycling Program (\$2,000).

The Treatment Plant Capital Fund ended the year below the estimated fund balance (\$11.4 million variance) primarily due to lower than estimated levels of revenues and the acceleration of project expenditures related to the Bufferland Evaluation and Acquisition as discussed above.

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ENTERPRISE FUNDS (CONT'D.)

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.

Treatment Plant Operating Funds

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 146,059 | \$ 148,234 | \$ 2,175 | 1.5% |
| <i>Expenditure</i> | 172,554 | 162,050 | \$ 10,504 | 6.1% |
| <i>Fund Balance (est. *)</i> | 59,767 * | 68,716 | \$ 8,949 | 15.0% |

Year-end revenues were above budgeted levels in all four funds included in this category, resulting in an overall positive revenue variance of \$2.2 million. Revenue in the Sewage Treatment Plant Connection Fee Fund was above budgeted levels by \$340,000, primarily due to higher than anticipated connection fees and interest collections. In the Treatment Plant Income Fund, revenues were \$42,000 above the budgeted levels largely due to higher than expected rental and interest income. In the Sewer Service and Use Charge Fund, revenues ended the year \$1.3 million higher than the budgeted level due to billing corrections related to industrial users (\$2.2 million) offset by lower than anticipated sewer collections and interest earnings (\$900,000). In the Treatment Plant Operating Fund, a positive revenue variance primarily resulted from higher than budgeted contributions from tributary agencies.

Overall year-end expenditure savings of \$10.5 million was generated, mainly resulting from savings in the Treatment Plant Operating Fund (\$5.3 million) and in the Sewer Service and Use Charge Fund (\$2.8 million). The majority of savings in the Treatment Plant Operating Fund appeared in the Environmental Services Department's appropriations (\$5.0 million). Of these savings, \$2.1 million was personal services savings due to vacancy savings and \$2.9 million was primarily due to Water Efficiency Program and energy savings. In addition, \$82,000 of savings was rebudgeted in the 2003-2004 Adopted Operating Budget for a vehicle at the Water Pollution Control Plant and a video conferencing pilot program. The majority of savings in the Sewer Service and Use Charge Fund can be attributed to savings in the Department of Transportation

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ENTERPRISE FUNDS (CONT'D.)

Treatment Plant Operating Funds (Cont'd.)

(\$900,000) primarily due to vacancy savings, major litigation costs (\$600,000), savings related to the collection of sewer service charges (\$478,000), and vacancy savings in the Public Works Department (\$493,000). An unexpended expenditure budget allocation of \$150,000 was rebudgeted by the Department of Transportation in the 2003-2004 Adopted Operating Budget for sanitary sewer utility trucks.

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 Treatment Plant Operating Fund, where the fund balance variance was \$6.3 million due to lower than anticipated expenditures and liquidation of encumbrances 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.

Water Funds

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 19,728 | \$ 19,290 | \$ (438) | (2.2%) |
| <i>Expenditure</i> | 30,580 | 21,238 | \$ 9,342 | 30.5% |
| <i>Fund Balance (est. *)</i> | 17,795 * | 19,880 | \$ 2,085 | 11.7% |

The negative revenue variance (\$438,000) is primarily the result of lower than budgeted Water Sales collections (\$348,000), Service Connection Fees (\$261,000), Advanced System Design Fees (\$197,000), partially offset by higher than anticipated interest earnings (\$244,000), Major Facilities Fees (\$65,000), and Meter Installation Fees (\$59,000). Service Connection Fee and Advanced System Design Fee revenues recover actual cost to install new services. The revenue variances reflect the decline in development activities as a result of the economic downturn.

A large portion of the expenditure savings occurred in the capital program (\$7.5 million). As part of the 2003-2004 Adopted Capital Budget, a total of \$6,126,000 was rebudgeted for the following projects: North Coyote Valley Water System (\$4,989,000), Edenvale Well #4 (\$748,000), Edenvale Reservoir Site Improvements (\$187,000), Water Billing Software and Networking (\$150,000), and Reservoir Seismic Retrofit (\$65,000). However, the Edenvale Reservoir Site Improvements and Edenvale Well #4 projects did not achieve sufficient year-end savings to cover the original rebudget amount. As a result, budget reductions are recommended in this document for the Edenvale Reservoir Site Improvements (\$10,000) and the Edenvale Well #4 (\$3,000) projects.

Included in this document is a recommended rebudget of expenditure savings of \$1,087,000 for 2003-2004 for the following projects: North Coyote Valley Water System (\$1,012,000) due to contractor billing delays, and Service Installations (\$75,000).

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ENTERPRISE FUNDS (CONT'D.)

Water Funds (Cont'd.)

Significant savings also occurred in the Environmental Service Department Non-Personal/Equipment appropriation (\$1.6 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 (\$2.1 million) was due primarily to project and expenditure savings mentioned above.

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SPECIAL REVENUE FUNDS

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.

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

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 11,725 | \$ 12,621 | \$ 896 | 7.6% |
| <i>Expenditure</i> | 17,569 | 16,773 | 796 | 4.5% |
| <i>Fund Balance (est. *)</i> | 13,431 * | 14,607 | 1,176 | 8.8% |

The revenue variance is primarily the result of higher than budgeted receipt of master tobacco settlement payments (\$1.13 million) offset by lower than estimated interest earnings (down \$231,000). 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 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 East San José Multi-Service Center (\$250,000), Vida Nueva Program Expansion (\$151,430), Provider Training Resource Center (\$13,900), and Anti-Tobacco Collaborative Program funds (\$9,011).

The 2002-2003 ending fund balance is higher than estimated due primarily to the higher than projected tobacco settlement payments already discussed. 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, expenditures and the claims reserve for each fund when applicable. 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> | \$ 50,605 | \$ 49,471 | \$ (1,134) | (2.2%) |
| <i>Expenditure</i> | 51,402 | 49,301 | 2,101 | 4.1% |
| <i>Fund Balance (est. *)</i> | 4,663 * | 5,202 | 538 | 11.5% |

Overview of 2002-2003 Activity by Fund

- Dental Insurance Fund: Revenues were below the modified budget by 3% or \$250,000. Revenues were lower than anticipated due to slightly lower than anticipated collection through the interfund charge process, offset by higher than expected participation from retirees and part-time employees in the dental plan. Expenditures were below budget by \$282,000. The positive expenditure variance reflects claims costs which were lower than anticipated for the Delta Dental Plan, and lower than expected expenditures for the prepaid dental plan. The fund balance exceeded estimated levels by \$333,000 due primarily to the lower than anticipated claims costs associated with the Delta Dental Plan.

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SPECIAL REVENUE FUNDS (CONT'D.)

Benefit Funds (Cont'd.)

- **Life Insurance Fund:** Revenues ended the year higher than the budgeted level by 3% or \$36,000. Higher than anticipated participant contributions were offset by lower than anticipated interest income and interfund charge process. Expenditures were \$770,000 or 33% lower than budgeted. The variance in expenditures was mainly due to a planned lack of spending against the Liquidation of Self-Insured Reserve/ Durable Medical Goods appropriation and savings in Non-Personal/Equipment. Many components within the Liquidation of Life Insurance Reserve appropriation are already included in the health plan provided by the City. These savings were offset by higher than anticipated expenditures for life insurance premiums. The fund balance was slightly 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 2% or \$16,000. Revenues were lower than anticipated due to slightly lower than anticipated collection through the interfund charge process. Expenditures were below the modified budget level by \$8,000. 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 2003. The fund balance exceeded estimated levels by \$12,000, reflecting the higher than estimated revenues.
- **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, General Employee Vision and Employee Assistance Program counseling.

Revenues ended the year below the modified budget level by 2% or \$903,000 and expenditures were lower than anticipated by 3% or \$1.0 million. This is primarily due to lower than budgeted revenues and expenditures related to health coverage, FICA-Medicare payments and General Employee Vision payments and a timing difference for when the revenues are received from interfund transfers and when the payments are made.

The fund balance was higher than estimated levels by \$189,000. This reflects the combined impact of lower than estimated expenditures and lower than anticipated revenues.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Building & Structure
Construction Tax
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|----------|---------------------|
| <i>Revenue</i> | \$ 14,415 | \$ 17,429 | \$ 3,014 | 20.9% |
| <i>Expenditure</i> | 66,642 | 35,721 | 30,921 | 46.4% |
| <i>Fund Balance (est. *)</i> | 27,949 * | 40,579 | 12,630 | 45.2% |

Total revenues of \$17.4 million include receipts from the Building and Structure Construction Tax, grants from the federal government for the Highway Bridge Replacement and Rehabilitation Program (HBRR) and for various Intelligent Transportation Systems projects, and from the Santa Clara County Water District.

The positive revenue variance (\$3.0 million) was primarily due to stronger than anticipated receipts in the second half of 2002-2003 for the Building and Structure Construction Tax (\$3.8 million variance), combined with project delays that impact the timing of reimbursements from other agencies (negative variance of \$689,000). Building and Structure Construction Tax receipts had been depressed for over a year and a half. However, beginning in the third quarter of 2002-2003, receipts experienced an unpredictably strong upsurge, resulting largely from near-record levels of residential development activity. Due entirely to performance in the latter part of the year, 2002-2003 revenues outperformed 2001-2002 actuals. This resulted in the strongest year of collections since the recent boom year of 2000-2001. At \$10.8 million, receipts in 2002-2003 were \$1.1 million higher than 2001-2002 collections (\$9.7 million) and \$3.8 million higher than conservative estimates of \$6.9 million that did not assume a pickup in the local development-related economy.

In addition, delays in certain projects contributed to delays in reimbursements from other agencies (\$689,000). The largest of these include ITS: Milpitas Fremont (\$239,000), in which

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SPECIAL REVENUE FUNDS (CONT'D.)

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

lengthy coordination with Caltrans staff and a vendor delayed reimbursable purchases of network equipment, traffic signal communication equipment, and consultant services; and, ITS Enhancements (\$198,000), which were delayed by Santa Clara County's inability to provide construction management until Spring 2004. As a result of the County's schedule, the City postponed reimbursable procurements until construction is underway. Finally, the HBRR-Pearl Avenue Bridge grant ended the year with a negative variance of \$296,000, since final project accounting indicated that the full amount of the grant reimbursements based on actual project costs would be lower than budgeted estimates. This negative variance was more than offset by higher than anticipated miscellaneous revenue, primarily developer contributions (\$234,000), and higher than estimated reimbursements from the Santa Clara Valley Water District for its share of the Foxworthy Bridge project, again based on a final accounting of actual project costs (\$235,000).

Unexpended project funds resulted in a \$30.9 million positive variance in budgeted program expenditures. Almost all of these funds have been rebudgeted into 2003-2004 or will be recommended for rebudget with this document to ensure sufficient funding for projects in the current year. It should be noted that the 2002-2003 expenditure estimates used to develop the current CIP varied from actual year-end results by only \$9.6 million. The variance between budgeted and actual expenditures was caused primarily by the following projects with significant expenditure variances (\$000's):

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SPECIAL REVENUE FUNDS (CONT'D.)

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

| | |
|--|------------------|
| VTA: Bailey/101 Improvements | \$ 3,995 |
| Berryessa Road: Route 101 to Route 680 | 3,147 |
| Route 880: Stevens Creek Interchange | 2,178 |
| King Road: Penitencia Creek Bridge | 1,838 |
| King Road: Penitencia to McKee | 1,761 |
| Lester Property Area Street Improvements | 1,721 |
| Hostetter Road: Sierra Creek Road | 1,653 |
| Oakland Road: Fox to Montague | 1,633 |
| Willow Glen Way/Guadalupe River Bridge | 1,383 |
| Tully Road: Monterey to Lucretia | 1,159 |
| Bailey Avenue Above Ground Crossing | 950 |
| Senter Road: Lewis to Capitol | 807 |
| North San José Traffic Mitigation | 776 |
| Senter Road: Capitol to Monterey | 745 |
| Senter Road: Tully to Lewis | 691 |
| Oakland Road: Route 101 to Schallenberger | 590 |
| Route 87: Caltrans Design & Construction Support | 439 |
| Oakland Road: Coyote Creek Bridge Mitigation | 403 |
| Oakland Road: Route 101 to Hedding | 397 |
| Route 87: Consultant Support Acceleration | 396 |
| White Road: Penitencia to McKee | 367 |
| Total | \$ <u>27,029</u> |

Following are descriptions of the projects' variances:

- The VTA: Bailey/101 Improvements project was delayed due to refinement of the construction timeline required by changes in the timeline of receipt of funding from the developer's consortium.
- The Berryessa Road: Route 101 to Route 680 was split into two projects. The first, Berryessa Road: Route 101 to Coyote Creek will continue as scheduled for an April 2004 award. The second, Berryessa Road: Coyote Creek to Route 680 will be delayed by three years.
- The Route 880: Stevens Creek Interchange upgrade project was delayed by coordination with Caltrans on approval for the preliminary study report.
- The King Road: Penitencia Creek Bridge project was delayed by environmental permitting issues associated with the bridge and related channel widening.

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SPECIAL REVENUE FUNDS (CONT'D.)

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

- The King Road: Penitencia to McKee project was also delayed by the same environmental permitting issues associated with the bridge and related channel widening.
- 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 Hostetter Road: Sierra Creek Road project was delayed due to negotiations with a property owner regarding the right-of-way necessary to construct the project. However, project completion remains on schedule for August 2004.
- The Oakland Road: Fox to Montague project is now part of the Oakland Road: Brokaw to Montague project. Due to rescoping, award of this project is scheduled in June 2004, immediately after the completion of the first phase of Oakland Road, titled the Oakland Road: Route 101 to Brokaw project.
- The Willow Glen Way/Guadalupe River Bridge project provides reimbursements to the Santa Clara Valley Water District for work associated with the bridge. Given the Water District's construction schedule for completion in June 2005, reimbursements are not expected until 2004-2005.
- The Tully Road: Monterey to Lucretia project was delayed due to scoping changes that extended the award of the contract. The construction completion date as established in the CIP Quarterly Status Report has not been changed by the timing of the construction contract award.
- The Bailey Avenue Above Ground Crossing project was funded by Council late in 2002-2003 and remains on schedule. The remaining balance has been rebudgeted to allow continuation of the project in 2003-2004.
- The Senter Road: Lewis to Capitol project has been delayed by property acquisition issues and design concerns raised by City Council. Beginning in 2003-2004, the project is part of a new project that combines the Tully to Lewis segment and the Lewis to Capitol segment (the new title is Senter Road: Tully to Singleton).
- The North San José Traffic Mitigation project was delayed due to site selection and scoping issues.

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SPECIAL REVENUE FUNDS (CONT'D.)

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

- The Senter Road: Capitol to Monterey project is being rescoped to reduce the cost of the project to avoid right-of-way takes and to combine the construction contract with the Lewis to Capitol segment. The title of this project has been changed to Senter Road: Singleton to Monterey.
- The Senter Road: Tully to Lewis project has been delayed by property acquisition issues and design concerns raised by City Council. Note that for 2003-2004 the project is part of a new project that combines the Tully to Lewis segment and the Lewis to Capitol segment (the new title is Senter Road: Tully to Singleton).
- The Oakland Road: Route 101 to Schallenberger project is now the Oakland Road: Route 101 to Brokaw project. The project has been rescoped due to environmental mitigation issues and complex negotiations with property owners regarding the right-of-way necessary to construct the project. However, project completion is anticipated on schedule, in June 2004.
- The Route 87: Caltrans Design & Construction Support project was not fully expended in 2002-2003, due in part to delays associated with the Highway 101 Auxiliary Lane project and in part to have funds to reprogram to 2003-2004 to support the Airport Parkway/Technology Drive local mitigation project.
- The Oakland Road: Coyote Creek Bridge Mitigation project was delayed by site selection issues that have now been resolved.
- The Oakland Road: Route 101 to Hedding project was placed on hold after design completion as this project is part of the SNI: 13th Street SNI Street Project.
- The Route 87: Consultant Support Acceleration project funding was not fully expended in 2002-2003, in part due to right-of-way issues related to mitigations required as part of the Route 87 project.
- The White Road: Penitencia to McKee project has been rescoped due to the need for additional right-of-way that has been deemed necessary for the project.

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SPECIAL REVENUE FUNDS (CONT'D.)

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

The remaining variance (\$3.9 million) reflects unexpended funds in a number of projects with balances of less than \$300,000.

The 2002-2003 ending fund balance variance of \$12.6 million is the result of higher than estimated revenues (\$3.0 million) combined with lower than estimated expenditures (\$9.6 million). Most of this additional fund balance (\$9.2 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.)

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.

***Community
Development
Block Grant Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 14,257 | \$ 15,294 | \$ 1,037 | 7.3% |
| <i>Expenditure</i> | 22,196 | 16,884 | 5,312 | 23.9% |
| <i>Fund Balance (est. *)</i> | 3,002 * | 9,497 | 6,495 | 216.4% |

The \$1.0 million revenue variance is primarily the result of higher than anticipated collections related to loan repayments. These unanticipated repayments are related to the Evans Lane and Quimby Road projects originally funded through the Predevelopment Loan Program as well as the repayments originally funded through the Revolving Loan Program. Revenue from these repayments is recommended in this report to be reinvested for use in each respective loan program. In addition, an adjustment (\$572,000) was made to correctly account for the amount of revenue that should have been a part of the 2001-2002 year-end reconciliation.

The \$5.3 million expenditure variance reflects unexpended project funds. Additional rebudgets of unexpended funds are therefore recommended in this report. The following is a partial list of projects recommended to rebudget: Eastside Clubhouse (\$750,000); Elizabeth Street Improvements (\$705,830); East Community Resource Center (\$550,000); O'Connor Park Restroom Building (\$250,000); Guadalupe Washington Alley Reconstruction (\$237,503); CDBG Administration (\$235,000); Selma Olinder Park (\$218,000); Economic Development Improvement (\$200,000); Goss Community Center (\$200,000); Recreation and Wellness Study (\$200,000); Nursery Renovation project (\$194,000); Predevelopment Loan Program (\$125,218); Therapeutic Streetlighting: Reed Street Pedestrian project (\$107,000); Evaluation of CDBG Services (\$100,000); and Nonprofit Capacity Building (\$87,538). Additional minor savings occurred in many of the Fund's appropriations.

The 2002-2003 ending fund balance is \$6.5 million higher than estimated due to higher than projected revenue and expenditure savings. As described above, 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.)

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.

***Community Facilities
Revenue Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 6,278 | \$ 5,328 | \$ (950) | (15.1%) |
| <i>Expenditure</i> | 7,587 | 5,011 | \$ 2,576 | 34.0% |
| <i>Fund Balance (est. *)</i> | 1,650 * | 2,578 | \$ 928 | 56.2% |

The lower than expected revenue is primarily due to reduced rent payments received for the Hayes Center, reflecting the negative impact of the economic impact on this facility. The \$2.58 million expenditure variance primarily reflects savings being realized from the Ice Centre's variable rated bonds. The lower interest rate has resulted in reduced debt service payments. The City's share of the Hayes Phase III debt service and financing expenditure that was programmed to be transferred in May did not occur and was instead paid by capitalized interest in the Trust Fund (Fund 880).

In recognition of the economic difficulties now being faced by the Hayes Center, the Council has acted to defer Phase I and Phase III payments from the Hayes Mansion operator, and on September 2002, the City Council also extended a \$3.0 million line of credit to the operator to help cover operating costs and pay consultant fees. During 2002-2003, the City advanced a total of \$2.6 million to the operator and paid \$100,000 for consultant fees. Since the Hayes Mansion's share of this fund did not have sufficient resources to support the entire \$3.0 million line of credit, a total of \$1.68 million was transferred from the Trust Fund (Fund 880) to make up the difference.

The higher than expected fund balance is the result of lower than estimated revenues combined with lower than estimated expenditures. The excess fund balance is intended to remain in reserve for future debt service payments.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Construction and
Conveyance Tax
Funds***

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 35,060 | \$ 37,066 | \$ 2,006 | 5.7% |
| <i>Expenditure</i> | 64,427 | 45,857 | 18,570 | 28.8% |
| <i>Fund Balance (est. *)</i> | 47,832 * | 50,942 | 3,110 | 6.5% |

Revenues in 2002-2003 include C&C tax receipts, transfers between funds, State and Federal grants, interest, and miscellaneous revenues.

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

| | |
|---|-----------------|
| Construction and Conveyance Tax Revenue | \$ 4,835 |
| Transfers of Construction and Conveyance Revenue between Funds | 1,212 |
| Interest Earnings and Miscellaneous Revenues | 955 |
| Grants | <u>(4,996)</u> |
| Total | \$ 2,006 |

Construction and Conveyance Tax revenues continue to decline from the record-setting collection levels of \$ 31.6 million experienced in 2000-2001 due to the prolonged economic slowdown that has impacted real estate sales. Actual collections for 2002-2003 totaled \$24.8 million, a decrease of almost \$1.5 million (5.7%) from the prior year. While revenues fell below the prior year collection levels, they exceeded the budgeted estimate of \$20.0 million by \$4.8 million. When the 2002-2003 budget was developed, it was assumed that receipts would experience a slight decline from the estimated 2001-2002 collection level based on the sluggish

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SPECIAL REVENUE FUNDS (CONT'D.)

Construction and Conveyance Tax Funds (Cont'd.)

state of the economy. While collections did fall, they did not drop as much as originally anticipated due to stronger than anticipated real estate activity. The number of real estate sales in San José remained virtually unchanged from the prior year, with a drop of less than 1% and the single family median home price as of June 2003 of \$519,000 was actually 3.8% higher than June 2002 figure of \$499,950.

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 and miscellaneous revenues variance was due to higher than expected average cash balances. Grant revenue was below anticipated levels because many of the grants are paid on a reimbursement basis and the work had not yet been completed. In addition, a number of the projects were recently completed, but the reimbursement requests have not yet been finalized. Many of these grants are expected to be received in 2003-2004. However, the Environmental Enhancement and Mitigation Program – San Tomas Aquino/Saratoga Creek Trail grant (\$250,000) is no longer expected to be received because the project timeline would no longer meet the grant requirements for submitting reimbursement requests. This project is funded from other funding sources. In addition, the Transportation Development Act Program – Murdock Pedestrian Bridge grant (\$100,000) will not be received until 2005-2006.

The expenditure variance of \$18.6 million, or 28.8%, is primarily the result of unexpended capital project funds. The majority of these expenditure savings were anticipated and the funds were rebudgeted to 2003-2004 to complete these projects. Additional rebudgets are recommended in this report to provide sufficient funding to complete the projects.

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SPECIAL REVENUE FUNDS (CONT'D.)

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: | Youth Center-District 1 | \$ 900 |
| | San Tomas Aquino/Saratoga Creek | 739 |
| Council District 4: | Alviso Park Expansion | 470 |
| | River Oaks Park Development | 355 |
| Council District 5: | School Improvement Grants | 633 |
| | Community Center Landscaping | 300 |
| Council District 8: | Evergreen Center Expansion | 324 |
| City-Wide: | Plaza de Cesar Chavez Vault | 1,032 |
| | Alum Rock Park Penitencia Creek Entrance | 526 |
| | Calpine-Open Space | 415 |
| | Los Gatos Creek/Lonus Extension | 394 |
| Communications: | Communication Equipment Replacement | 370 |
| Fire: | Fire Station Privacy | 305 |
| Library: | Automation Projects | 569 |
| | Joint Library Technology | 393 |
| Service Yards: | Central Service Yard Roof Replacement | <u>546</u> |
| Total | | \$ 8,271 |

The Youth Center-District 1 project, River Oaks Park Development project and Community Center Landscaping project were delayed due to site problems. The San Tomas Aquino/Saratoga Creek project, the Plaza de Cesar Chavez Vault, and the Central Service Yard Roof Replacement project were delayed due to the projects being rescoped. The Alviso Park Expansion project was delayed due to land acquisition problems. The School Improvement Grants, Automation Projects, and Calpine-Open Space projects are used as needed, and remaining savings are rebudgeted to the following year. The Evergreen Center Expansion project produced a large savings due to a slight delay in the award of the construction contract. This project was awarded in October 2003, therefore these funds were rebudgeted to ensure sufficient funds to finish the project. The Alum Rock Park Penitencia Creek Entrance had a delay in the awarding of its contract. The contract has been awarded and the project will continue. The Los Gatos Creek/Lonus Extension project is on hold pending the completion of the feasibility study. The Joint Library Technology project will continue until all software and licenses have been purchased for the new Dr. Martin Luther King, Jr. Library. The Fire Station Privacy project was delayed due to insufficient staffing resources. The Communication Equipment Replacement

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SPECIAL REVENUE FUNDS (CONT'D.)

Construction and Conveyance Tax Funds (Cont'd.)

project produced savings last year because staff were not able to make all their purchases by the end of the fiscal year. These purchases will be made in 2003-2004.

The 2002-2003 ending fund balance in the combined Construction and Conveyance Tax Funds is \$3.1 million greater than the budgeted estimate primarily due to higher than anticipated Construction and Conveyance Tax revenue, partially offset by lower than anticipated grant receipts. For purposes of developing the 2003-2004 Adopted Budget, it was assumed that C&C revenues would total \$20.0 million in 2002-2003. This was \$4.8 million below the actual collection level.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

Convention and Cultural Affairs Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|----------|---------------------|
| <i>Revenue</i> | \$ 16,364 | \$ 14,785 | (1,579) | (9.6%) |
| <i>Expenditure</i> | 19,800 | 18,081 | 1,719 | 8.7% |
| <i>Fund Balance (est. *)</i> | 3,733 * | 3,106 | (627) | (16.8%) |

The Convention and Cultural Affairs Fund ended the year below expected levels due to lower than anticipated revenue collections. Revenue collections were \$1.6 million below the modified revenue estimate. This was mainly due to lower than expected space rental and concessionary income for the year as well as lower than expected transfers from the Parking Fund (\$232,000), and Transient Occupancy Tax Fund (\$1.3 million). A portion of the Transient Occupancy Tax (TOT) Fund transfer shortfall (\$1,014,955) will be rebudgeted in 2003-2004. The amount to be received is smaller than the savings because collections in the Transient Occupancy Tax Fund were lower than anticipated and by formula a reduction to all recipients is required. The overall occupancy rate for the Convention Center was approximately 80% for 2002-2003, which is down from the 83% that was realized in 2001-2002.

Expenditure savings of \$1.7 million reflect savings in a number of categories including Convention Facilities' miscellaneous capital improvements (\$28,000), personal services (\$149,000), and non-personal expenses (\$1.2 million). The primary reason for the large non-personal savings was the delay in implementation of the convention center electrical service program. A portion of the savings (\$274,000) was rebudgeted to 2003-2004 in the Adopted Operating Budget for Lighting Replacement (\$138,000) and Art Grants (\$136,000).

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SPECIAL REVENUE FUNDS (CONT'D.)

Convention and Cultural Affairs Fund (Cont'd.)

The ending fund balance variance reflects the fact that revenues fell short of expectations and this was only partially offset by expenditure savings. To restore fund balance to the 2003-2004 Adopted Budget Level, included in this document is a recommendation to recognize the increased transfer from the TOT Fund.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Home Investment
Partnership Program
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 53,961 | \$ 25,203 | \$ (28,758) | (53.3%) |
| <i>Expenditure</i> | 54,715 | 19,910 | 34,805 | 63.6% |
| <i>Fund Balance (est. *)</i> | 1,603 * | 6,280 | 4,677 | 291.8% |

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 revenue is due to a number of factors, the most prominent of which was a reduction in Redevelopment Agency Supplemental Funds from \$34.9 million budgeted to \$14.7 million received. This reduction was a result of the State's action to redirect Redevelopment funds to schools and concerns about the economy. Grant revenue was also less than anticipated, with actual revenue (\$7.3 million) falling short of the budgeted \$12.4 million. Strong Neighborhoods Initiative (SNI) exterior rehabilitation funds were also reduced from \$4 million to \$2.4 million as a result of reductions by the Redevelopment Agency. Reductions in expenditures resulted from the reduced revenues: \$7.1 million in Supplemental Funding expenditures compared to \$34.9 million budgeted, \$5.8 million in Home Loans and Grants compared to \$9.4 million budgeted, and \$1.1 million in SNI activities compared to \$3.5 million budgeted. Operating expenditures were also almost \$600,000 less than budgeted. The \$4.6 million fund balance variance is the result of lower than estimated expenditures.

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SPECIAL REVENUE FUNDS (CONT'D.)

Home Investment Partnership Program Fund (Cont'd.)

Effective July 1, 2003, the Home Investment Partnership Fund will be used exclusively for HOME revenues and expenditures. A new fund, Multi-Source Housing Funds, has been approved by the City Council effective July 1, 2003, and will be used for revenues and expenditures from various funds such as Rental Rights and Referrals fees, Strong Neighborhood Initiative funds, Supplemental Redevelopment Agency funds and others.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

Housing and Homeless Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|--------|--------|----------|---------------------|
| <i>Revenue</i> | \$ 425 | \$ 839 | \$ 414 | 97.4% |
| <i>Expenditure</i> | 1,664 | 1,451 | 213 | 12.8% |
| <i>Fund Balance (est. *)</i> | 702 * | 1,166 | 464 | 66.1% |

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 bond administration fees, tax credit application review fees, and in-lieu fees from housing developers in Redevelopment Project Areas, among others. These funding sources can be somewhat unpredictable.

The revenue variance is primarily due to increased receipts from bond administration fees.

The 2002-2003 ending fund balance variance is the result of higher than anticipated level of revenue collections and lower than estimated expenditures.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Integrated Waste
Management Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|------------|---------------------|
| <i>Revenue</i> | \$ 62,751 | \$ 61,117 | \$ (1,634) | (2.6%) |
| <i>Expenditure</i> | 70,316 | 67,330 | \$ 2,986 | 4.2% |
| <i>Fund Balance (est. *)</i> | 5,118 * | 7,111 | \$ 1,993 | 38.9% |

Revenue ended the year approximately 2.6% lower (\$1.6 million) than the budgeted level. The negative variance, as previously described in Monthly Financial Reports, primarily resulted from lower than budgeted grant revenues (\$400,000 variance) expected to be received in 2003-2004, lower Commercial AB939 fees (\$248,000 variance) impacted by the economy and increased diversion, lower than expected bulky goods disposal (\$203,000 variance), lower than anticipated Yard Trimming Cart subscription levels (\$162,000 variance), lower than expected trash sticker levels (\$149,000 variance), and lower than budgeted transfers from the General Fund for low-income rate assistance (\$134,000 variance).

Expenditures in this fund ended the year with savings of \$3.0 million (4.2%). The majority of the positive variance was due to non-personal savings (\$2.9 million) mainly attributed to lower than budgeted expenditures related to contractual services and personal services vacancy savings (\$80,000). A rebudget of unexpended funds (\$46,000) and additional funding in the amount of \$51,449 to match revenues anticipated in 2003-2004 are recommended for Public Area Recycling in this document. Rebudget of unexpended funds (\$26,000) and several cleanup actions related to residential street sweeping signage are also recommended in this document for 2003-2004. A funding shift to correctly appropriate residential street sweeping signage (\$382,000) between the Environmental Services and Department of Transportation Non-Personal/Equipment appropriations are recommended.

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SPECIAL REVENUE FUNDS (CONT'D.)

Integrated Waste Management Fund (Cont'd.)

A portion of the aforementioned savings (\$1.1 million) was rebudgeted as part of the 2003-2004 Adopted Budget from non-personal expenses for the Integrated Waste Management/Customer Service database, residential street sweeping signage, and a video conferencing pilot program.

The Integrated Waste Management Fund ended the year with a higher than estimated fund balance (\$2.0 variance) due to higher than expected expenditure savings (\$3.6 million) partially offset by lower than anticipated revenues (\$1.6 million) as described above. Contractual services expenditures, previously estimated for 2002-2003 (\$2.0 million), is now anticipated to be expended in 2003-2004.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

Lake Cunningham Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 634 | \$ 700 | \$ 66 | 10.4% |
| <i>Expenditure</i> | 1,732 | 520 | 1,212 | 70.0% |
| <i>Fund Balance (est. *)</i> | 1,191 * | 1,321 | 130 | 10.9% |

The positive revenue variance reflects higher than anticipated collections for parking.

The positive variance in project expenditures (\$1.2 million) reflects unexpended project funds. A significant portion of this variance (\$796,000) resulted from a Council-approved decision to delay the Perimeter Landscaping project due to its relatively high operating and maintenance impact on the General Fund. A large portion of the remaining variance between budgeted estimates and actual expenditures (\$313,000) was the result of the Lake Cunningham Groundwater Repair project being delayed. This project was delayed pending a consultant's study, which is now completed. A majority of the remaining unexpended funds (\$117,000) were anticipated and rebudgeted to 2003-2004 in the Adopted Capital Improvement Program.

The 2002-2003 ending fund balance variance of \$130,000 is the result of higher than estimated revenues (\$54,000) combined with lower than estimated expenditures (\$76,000). These expenditure savings have been recommended for rebudget to provide sufficient funding for projects in the current year.

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SPECIAL REVENUE FUNDS (CONT'D.)

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. The 2002-2003 fiscal year is the eighth implementation year of the Library Benefit Assessment.

***Library Benefit
Assessment District
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|----------|----------|----------|---------------------|
| <i>Revenue</i> | \$ 6,270 | \$ 6,151 | \$ (119) | (1.9%) |
| <i>Expenditure</i> | 7,947 | 6,456 | 1,491 | 18.8% |
| <i>Fund Balance (est. *)</i> | 1,054 * | 1,632 | 578 | 54.8% |

The revenues show a negative variance of \$119,000 (1.9%) due to lower than anticipated 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 \$1.5 million positive variance in budgeted program expenditures. Year-end operating expenses were \$598,000 less than budgeted due to vacancy savings and non-personal/equipment savings. A personal services rebudget of \$100,000 to fund extra system-wide pool librarian, clerical, and page hours and a non-personal/equipment rebudget of \$150,000 to purchase supplies, are both recommended in this document to support outreach to schools, customer training, children's program marketing, and other Library objectives. Capital projects generated savings of \$893,000. The variance between budgeted and actual expenditures was due primarily to Automation projects (\$647,000) and Acquisition of Materials (\$188,000). The department uses these funds as needed to purchase new materials for branches and the Main Library, and to install and maintain internet and on-line reference sources for public use. Of the Capital savings, \$538,000 has been recommended for rebudget to provide sufficient funding in 2003-2004 for ongoing projects.

The higher ending fund balance is attributed to lower than estimated expenditures (\$697,000) partially offset by lower than estimated revenues (\$119,000).

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SPECIAL REVENUE FUNDS (CONT'D.)

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 low- and moderate-income household in the City of San Jose.

***Low and Moderate
Income Housing
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 180,910 | \$ 110,290 | \$ (70,620) | (39.0%) |
| <i>Expenditure</i> | 194,850 | 126,941 | 67,909 | 34.9% |
| <i>Fund Balance (est. *)</i> | 1,866 * | 1,773 | (93) | (5.0%) |

Revenue received in this Fund in 2002-2003 was approximately \$71 million less than the budgeted amount. The lower than anticipated revenue was a net result of two primary decisions: to withdraw only \$12.6 million in Line of Credit funds, compared to the budgeted \$30 million; and to issue net bond proceeds of \$42.5 million instead of the budgeted \$100 million. The shortfall in these categories was partially offset by the 20% Tax Increment from the Redevelopment Agency that exceeded the budgeted amount by \$1.6 million, and Loan Repayments that exceeded the budgeted amount by \$4 million.

Correspondingly, expenditures were lower than budgeted, with operating expenses, Debt Service and Interest on Line of Credit all falling below budgeted amounts. Major expenditures included Loans, Grants, and Site Acquisitions (\$70.7 million); Surplus Properties purchases (\$14.0 million); Debt Service Payment (\$11.9 million); Housing Department Personal and Non-personal /Equipment expenses (\$6.9 million); Overhead (\$0.94 million); and direct support to City-wide departments (\$1.19 million). Given the State's threat early in the fiscal year to redirect Redevelopment funds to schools, as well as concerns about the general state of the economy, the Housing Department took a conservative approach to spending in the second half of the Fiscal Year. The variance of \$68 million in expenditures matches the variance in revenue due to less borrowing. The Department will only recognize Bond revenue and utilize the Line of Credit Bond when the money is needed for expenses.

The \$1.77 million ending fund balance was slightly lower than estimated as a result of lower than anticipated revenues (\$7.35 million) and lower than anticipated expenditure (\$7.25 million).

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Major Collectors
and Arterials Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 370 | \$ 312 | \$ (58) | (15.7%) |
| <i>Expenditure</i> | 615 | 615 | 0 | 0.0% |
| <i>Fund Balance (est. *)</i> | 2,517 * | 2,479 | (38) | (1.5%) |

Total revenues (\$312,000) were slightly (\$58,000) lower than budgeted. The negative variance was due to lower than anticipated developer contributions (\$28,000) combined with lower than anticipated interest earnings and other revenue (\$30,000).

The 2002-2003 ending fund balance negative variance of \$38,000 reflects the lower than estimated revenues (\$38,000) discussed above. Expenditures ended 2002-2003 as estimated.

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SPECIAL REVENUE FUNDS (CONT'D.)

Municipal Golf Course Fund

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

Municipal Golf Course Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|----------|----------|----------|---------------------|
| <i>Revenue</i> | \$ 2,272 | \$ 1,629 | \$ (643) | (28.3%) |
| <i>Expenditure</i> | 1,941 | 1,872 | 69 | 3.6% |
| <i>Fund Balance (est. *)</i> | 1,733 * | 1,392 | (341) | (19.7%) |

The revenue and ending fund balance variance reflect lower than expected income from the Rancho Del Pueblo Golf Course and Municipal Golf Course.

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SPECIAL REVENUE FUNDS (CONT'D.)

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***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 7,715 | \$ 5,956 | \$ (1,759) | (22.8%) |
| <i>Expenditure</i> | 7,838 | 6,578 | 1,260 | 16.1% |
| <i>Fund Balance (est. *)</i> | 1,421 * | 786 | (635) | (44.7%) |

The revenue variance is primarily due to lower reimbursement for Medicare claims payments, City administrative costs, and certification reports offset by slightly higher than budgeted revenue from interest earnings. The expenditure variance is primarily due to lower City administrative costs, including overhead, as well as lower than anticipated Medicare claims, patient services information, and the phase-down plan. The lower number of claims resulted in approximately \$1.0 million of savings in claims payment expenditures. Since revenue is received on a reimbursement basis, the variance between revenue and expenditures related to the claims payment is primarily due to timing and the receipt of revenue after expenditures are booked. In addition, budgeted amounts related to Medicare claims are estimates given to the Municipal Health Services Program by the clinics that provide services to the elderly. Thus, it is 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 lower than the estimated level primarily due to the lower than estimated revenue.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Residential
Construction Tax
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 80 | \$ 332 | \$ 252 | 315.0% |
| <i>Expenditure</i> | 490 | 283 | 207 | 42.2% |
| <i>Fund Balance (est. *)</i> | 478 * | 826 | 348 | 72.8% |

The positive revenue variance of \$252,000 is the result of higher than anticipated Residential Construction Tax receipts.

The expenditure savings reflect savings in the Reimbursements to Developers for Landscaping (\$95,000), the Reimbursement to Developers for Center Strip Paving (\$70,000), and the Street Improvements for New Developments appropriations (\$29,000).

The 2002-2003 fund balance variance of \$348,000 is the result of higher than anticipated revenues (\$252,000) combined by lower than estimated expenditures in the Reimbursements to Developers for Landscaping appropriation (\$53,000), Reimbursements to Developers for Center Strip Paving (\$30,000), and Public Works Equipment Maintenance and Replacement (\$13,000), as described above

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SPECIAL REVENUE FUNDS (CONT'D.)

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 2002-2003 the City operated fifteen maintenance districts and two community facility districts.

***Maintenance
Assessment District
Funds***

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 3,260 | \$ 3,314 | \$ 54 | 1.7% |
| <i>Expenditure</i> | 4,916 | 3,161 | 1,755 | 35.7% |
| <i>Fund Balance (est. *)</i> | 5,776 * | 6,826 | 1,050 | 18.2% |

The revenue variance of \$54,000 is the result of receipts that trended slightly higher than anticipated in a majority of the districts. Two funds had large revenue variances. Revenues exceeded projections by \$60,000 in Community Facilities District #2 and #3 (Silverland-Capriana) because construction of residential properties in these districts completed earlier than anticipated, generating new income that had not been included in the revenue estimate for the year. Revenues in Maintenance District 1 (Los Paseos) exceeded estimates by \$16,000 due to an increase in property values that caused revenue based on assessed values to rise, as well. The additional revenue in the majority of the districts was partially offset by slightly lower than anticipated revenues in seven districts, all of which had variances of under \$6,000.

Savings of approximately \$1.76 million in the expenditure category reflect decreased maintenance costs in almost every district. Given the economic downturn, districts that renegotiated maintenance contracts received favorable bids. Further savings were generated as part of a concerted effort by maintenance district staff to cut costs while maintaining service levels. Four districts had large expenditure variances. In Community Facilities District #2 and #3 (Silverland-Capriana), the construction of a lake that had been programmed in 2002-2003 was deferred until 2003-2004, contributing to expenditure savings of \$335,000. In Maintenance District #10 (Oakmead Storm Station), the budget contained a significant amount of money for potential repairs of the storm pump. Since no repairs were necessary in 2002-2003, the savings of \$120,000 have fallen to fund balance and been carried over into 2003-2004. In Maintenance

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SPECIAL REVENUE FUNDS (CONT'D.)

Special Assessment Maintenance District Funds (Cont'd.)

District #15, a large pipeline construction project occurred, and for about half the year the contractor assumed obligations for maintaining the landscaping during construction. This contributed to savings of \$932,000. In Maintenance District #19 (River Oaks Area Landscaping), expenditures were less than estimated because actual spending was reduced when it appeared that the district would not be reauthorized for the imposition of assessments (variance of \$64,000). Voters have now reauthorized the district, and expenditures are projected to increase as a result in 2003-2004.

The ending fund balance variance of \$1.1 million is due to expenditure savings that exceeded the estimate by \$1.08 million, slightly offset by lower than anticipated revenues (\$29,000).

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SPECIAL REVENUE FUNDS (CONT'D.)

Stores Fund

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

Stores Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|----------|----------|------------|---------------------|
| <i>Revenue</i> | \$ 4,825 | \$ 3,792 | \$ (1,033) | (21.4%) |
| <i>Expenditure</i> | 4,747 | 4,280 | 467 | 9.8% |
| <i>Fund Balance (est. *)</i> | 2,056 * | 1,565 | (491) | (23.9%) |

The negative revenue variance (21.4%) reflects lower than budgeted departmental charges related to budget restrictions. The actual level of revenue collection (\$3.8 million) was also a decrease of \$763,000 from the 2001-2002 level.

The Stores Fund positive expenditure variance of \$467,000 primarily resulted from lower than expected inventory purchases, personal services savings due to unfilled vacancies, lower than anticipated expenditures for Non-Personal/Equipment, and rental equipment.

The negative ending fund balance (\$491,000) variance primarily reflects lower than estimated departmental charges.

It should be noted that the actual budgetary fund balance is \$457,000 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.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Storm Drainage
Fee Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 355 | \$ 484 | \$ 129 | 36.3% |
| <i>Expenditure</i> | 1,364 | 899 | 465 | 34.1% |
| <i>Fund Balance (est. *)</i> | 655 * | 882 | 227 | 34.7% |

Revenues ended the year above budgeted levels. The positive revenue variance of \$129,000 reflects higher than budgeted Storm Drainage Fees (\$120,000 variance), Joint Participation revenues (\$6,000) and interest earnings (\$3,000).

Unexpended project funds resulted in a \$465,000 positive variance in budgeted program expenditures. Included in this variance is \$305,000 anticipated and rebudgeted in the 2003-2004 Adopted Capital Budget for Miscellaneous Projects (\$200,000), the Nightingale/Redbird project (\$100,000), and the Guadalupe River Park project (\$5,000). In addition \$2,000 of unexpended project funds related to the Guadalupe River Park project is recommended for rebudget in this document for 2003-2004.

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 \$227,000 above estimated levels.

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SPECIAL REVENUE FUNDS (CONT'D.)

Storm Sewer Capital Fund

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

***Storm Sewer
Capital Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 1,320 | \$ 1,338 | \$ 18 | 1.4% |
| <i>Expenditure</i> | 2,870 | 2,030 | 840 | 29.3% |
| <i>Fund Balance (est. *)</i> | 2,484 * | 2,608 | 124 | 5.0% |

The positive revenue variance (\$18,000) is solely due to higher than budgeted interest earnings from fund balance.

Unexpended project funds resulted in a \$840,000 positive variance in budgeted program expenditures. Included in this variance is \$757,000 anticipated and rebudgeted in the 2003-2004 Adopted Capital Budget for Miscellaneous Projects (\$262,000), the Guadalupe River Park Outfalls project (\$230,000), Willow Glen-Guadalupe Phase II (\$100,000), Minor Neighborhood Storm Drain Improvements (\$100,000), Master Planning (\$56,000), and the Flow Monitoring Program (\$9,000). The Guadalupe River Park Outfalls project ended the year with additional expenditure savings (\$6,000) and is recommended for rebudget in this document for 2003-2004. In addition, total 2003-2004 budget reductions of \$48,000 are recommended for Willow Glen-Guadalupe Phase II (\$32,000) and Miscellaneous Projects (\$16,000), as these projects did not achieve sufficient savings anticipated in the 2003-2004 Adopted Capital Budget.

The 2002-2003 ending fund balance ended the year \$124,000 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.)

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.

***Storm Sewer
Operating
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|----------|---------------------|
| <i>Revenue</i> | \$ 13,574 | \$ 13,444 | \$ (130) | (1.0%) |
| <i>Expenditure</i> | 15,360 | 13,661 | 1,699 | 11.1% |
| <i>Fund Balance (est. *)</i> | 2,276 * | 3,395 | 1,119 | 49.2% |

The negative revenue variance (\$130,000) is primarily due to lower than budgeted storm drainage assessments.

Expenditure savings of \$1.7 million was primarily produced in the Department of Transportation's Non-Personal/Equipment appropriation (\$703,000), the Environmental Services Department's Non-Personal/Equipment appropriation (\$465,000), and vacancy savings in the Environmental Services Department (\$161,000). Rebudgets of \$375,000 in non-personal expenditure savings were included in the 2003-2004 Adopted Operating Budget for services related to implementation of the Urban Runoff Management Plan (\$65,000), Mercury Total Maximum Daily Load assessments (\$200,000), storm water data modeling (\$100,000), and a video conferencing pilot program (\$10,000). Expenditure savings totaling \$200,000 is recommended in this document for rebudget to 2003-2004 for street sweeping equipment. Additional funding totaling \$302,000 is also recommended for the Department of Transportation Personal Services appropriation to fund storm fighting and correct an inadvertent error.

The ending fund balance ended the year \$1.1 million higher than the estimated levels. This variance was produced by lower than anticipated expenditures, only partially offset by lower than estimated storm drainage assessments on property owners as described above.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

Subdivison Park Trust Fund

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 1,531 | \$ 24,851 | \$ 23,320 | 1523.2% |
| <i>Expenditure</i> | 14,045 | 6,696 | 7,349 | 52.3% |
| <i>Fund Balance (est. *)</i> | 35,979 * | 42,245 | 6,266 | 17.4% |

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 2002-2003 did not include any in-lieu fee revenue (\$17.2 million). The fee revenue received in 2002-2003 will be programmed into the 2003-2004 Capital Budget. Unanticipated revenues totaling \$6.1 million were also received. A portion of these funds were received from the San José Redevelopment Agency, through the low-income housing vouchers, for the purchase of the Cinnabar property (\$1.5 million). The Redevelopment Agency also transferred funds for the Low Income Housing Fee program (\$4.9 million). This revenue was partially offset by lower than anticipated interest earnings (\$359,000).

The expenditure variance of \$7.3 million is primarily due to project delays. Projects with significant variances include: Mabury Park Development (\$1.3 million), Evergreen Center Expansion (\$755,000), Solari Park Renovation (\$554,000), Mayfair Area Sports Fields (\$547,000), Penitencia Creek Neighborhood (\$490,000), Hillstone Park Development (\$351,000), Bernal Park Expansion (\$324,000), Penitencia Park Chain Reach II (\$323,000). The Penitencia Creek Park and the Bernal Park Expansion projects were delayed due to scoping issues. The Evergreen Center Expansion project experienced a slight delay in the award of the construction contract (awarded October 2003). The Mayfair Area Sports Fields project was rebudgeted and placed in a reserve because this project is not ready to proceed. The Solari Park Renovation project is pending the completion of the master plan at this site. Once the master

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SPECIAL REVENUE FUNDS (CONT'D.)

Subdivision Park Trust Fund (Cont'd.)

plan is complete, the project will continue. Hillstone Park Development was delayed due to community meetings. The project scope for the Mabury Park project was not defined until recently. The 2002-2003 expenditure savings associated with these projects have been or will be rebudgeted to ensure sufficient funding is available to complete these projects.

The 2002-2003 ending fund balance variance of \$6.3 million is primarily the result of higher than anticipated revenue (\$6.3 million).

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SPECIAL REVENUE FUNDS (CONT'D.)

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***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 10,150 | \$ 8,853 | \$ (1,297) | (12.8%) |
| <i>Expenditure</i> | 10,848 | 9,269 | 1,579 | 14.6% |
| <i>Fund Balance (est. *)</i> | 597 * | 1,306 | 709 | 118.8% |

Due to lower than expected receipts in the last quarter of the fiscal year, actual 2002-2003 revenues in the TOT Fund fell below the revised budgeted amount by \$1.3 million.

When the 2002-2003 Adopted Budget estimate (\$12.6 million) was developed, a 12% increase over the anticipated 2001-2002 year-end estimates was assumed. As 2001-2002 failed to rebound from 2000 level, year-end receipts ended the year 37.7% below the projected 2000-2001 year-end level, it became clear that revenues in 2002-2003 were also going to end the year well below anticipated levels. In response, revenues were adjusted downward at mid-year by \$2.6 million to reflect the revised projection for year-end performance. Subsequent to that adjustment, actual collections ended the year even below the adjusted level, and collections ended the year at \$8.8 million, well below the revised budget level of \$10 million.

The expenditure variance of \$1.58 million reflects savings in the Cultural Grant program (\$264,000) and the Convention Center Operation Subsidy (\$1.3 million). The primary reason for the savings in the Convention Center Operation Subsidy was the delay of a scheduled transfer, in order to relieve the cash flow problem of this fund.

As part of the 2003-2004 Adopted Operating Budget, a total of \$228,000 was rebudgeted for the Cultural Grant program.

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SPECIAL REVENUE FUNDS (CONT'D.)

Transient Occupancy Tax Fund (Cont'd.)

TOT Fund tax revenue 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, tax receipts for 2002-2003 ended the year well below anticipated levels. This report therefore contains the proposed appropriation adjustment actions required to recoup an overpayment made last year to the three recipients.

Since the Convention Center Operation Subsidy was reduced by \$1,314,955 in 2002-2003 in anticipation of reduced revenues and available cash in the TOT fund. No downward adjustment to this Subsidy in 2003-2004 is required. A reduction of \$150,000 is recommended for the Convention and Visitor Bureau (CVB) for its share of the overpayment. Finally, the Cultural Grant savings requirement can be achieved by reducing the amount of rebudget that was already assumed in the 2003-2004 Budget, from \$228,000 to \$114,052.

It appears clear from a review of performance of this tax during the early part of this year, when combined with the disappointing final results from last year, the revenue projection for 2003-2004 in the TOT fund will almost certainly require downward revision at Mid-Year. To achieve the current revenue estimate of \$9,987,000, revenue collections would have to attain a 13.5% growth level over last year's actual cash collection. Based on current performance, it appears much more likely that revenue collections will achieve something much closer to the original growth estimate of 3.5%. If the actual outcome is the 3.5% original growth estimate, a further reduction of approximately \$219,938 to CVB and the Art Groups and \$439,875 to the Convention Center Operation Subsidy would be required at Mid-year. The three groups have been informed of the situation and the potential for further reductions to their allocations. A rebudget of \$1,014,955 to the Convention Center Operation Subsidy is recommended in this report as the cash flow problem in this fund has been resolved.

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SPECIAL REVENUE FUNDS (CONT'D.)

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.

***Underground
Utility Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 750 | \$ 774 | \$ 24 | 3.2% |
| <i>Expenditure</i> | 3,054 | 2,601 | 453 | 14.8% |
| <i>Fund Balance (est. *)</i> | 1,585 * | 1,922 | 337 | 21.3% |

The positive revenue variance of \$24,000 is the result of higher than anticipated developer in-lieu fees.

The positive expenditure variance of \$453,000 primarily reflects savings in the Underground Utility Program appropriation (\$443,000). Projects are budgeted each year to underground utilities and electrical services to city owned facilities, i.e. streetlights and traffic signals, as In-Lieu Fees are collected per street frontage and programmed in a 5-year work plan.

The 2002-2003 ending fund balance ended the year \$337,000 higher than the estimated level. The positive variance can be attributed to higher than anticipated developer in-lieu fees as well as expenditure savings mentioned above.

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SPECIAL REVENUE FUNDS (CONT'D.)

Vehicle Maintenance and Operations Fund

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

***Vehicle Maintenance
and Operations Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|------------|---------------------|
| <i>Revenue</i> | \$ 18,300 | \$ 15,006 | \$ (3,294) | (18.0%) |
| <i>Expenditure</i> | 21,825 | 17,998 | 3,827 | 17.5% |
| <i>Fund Balance (est. *)</i> | 5,686 * | 6,043 | 357 | 6.3% |

The negative revenue variance of \$3,294,000 primarily reflects lower than budgeted revenues from replacement charges and lower than budgeted vehicle maintenance and operations departmental charges categories. During 2002-2003, all vehicle replacements continued to be suspended pending completion of a review of the current replacement policy and schedule by the City Auditor and General Services department. As a result of this review, significant savings from planned marked fleet expenditures were identified. Thus the revenues and associated expenditures for vehicle replacements are much lower than budgeted.

The positive expenditure variance of \$3,827,000 primarily reflects savings in the vehicle replacement appropriation (\$3,453,000), and savings in parts and fuel purchases (\$287,000).

The positive ending fund balance variance (\$357,000) primarily reflects less revenues collected compared to estimated levels from vehicle maintenance and operations fees and savings in parts and fuel purchases.

It should be noted that the actual fund balance is \$1,167,000 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.)

Workforce Investment Act Fund

The Workforce Investment Act (WIA) 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.

Workforce Investment Act Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|------------|---------------------|
| <i>Revenue</i> | \$ 23,212 | \$ 16,335 | \$ (6,877) | (29.6%) |
| <i>Expenditure</i> | 22,390 | 20,066 | 2,324 | 10.4% |
| <i>Fund Balance (est. *)</i> | - * | (3,768) | (3,768) | N/A |

On July 1, 2000 the Workforce Investment Act replaced the Job Training Partnership Training Act (JTPA), and the City of San Jose assumed administration and fiscal liability for this program. There are three categories of funding under WIA which correspond to the three populations being served: Adult, Dislocated Worker, and Youth. San José'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 between revenues and expenditures primarily reflect the timing difference in expense and revenue recognition. Many programs, such as the Regional Technology Employment Consortium (RETEC); Technology to Teaching Grant (Tech to Teach) and Rapid Response are funded for multiple years. Furthermore, the WIN acted as the administrative and fiscal agent for the CTI grant, which was concluded on December 2002.

The fund ended the year with a negative unrestricted ending fund balance of approximately \$3.8 million reflecting the accounting treatment of federal reimbursements due to this program. The negative balance reflects the late posting of revenue and carryover encumbrances for committed expenses at the end of 2002-2003. 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. When the encumbered amounts are actually expended, the revenue will become available to cover the costs.

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SPECIAL REVENUE FUNDS (CONT'D.)

Workforce Investment Act Fund (Cont'd.)

When the WIA budget was developed for 2003-2004, a total of 12 positions was proposed and approved to be eliminated in response to reduced resources. Funding was not reduced by the U.S. Department of Labor as much as originally expected. As a result, the WIA Board has proposed that two of the positions (an Analyst and a Senior Office Specialist) originally eliminated be restored to the Department to provide services in the Adult and Dislocated Worker Programs. A recommendation to accept the Board's proposal is included in this document.

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CAPITAL IMPROVEMENT PROGRAM FUNDS

Branch Library Bond Projects Fund

In November 2000, San José voters approved a \$212 million Library bond to 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.

***Branch Library
Bond Projects
Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|-------------|---------------------|
| <i>Revenue</i> | \$ 51,024 | \$ 31,724 | \$ (19,300) | (37.8%) |
| <i>Expenditure</i> | 53,660 | 30,053 | 23,607 | 44.0% |
| <i>Fund Balance (est. *)</i> | 27,399 | 28,178 | 779 | 2.8% |

The negative variance in revenue (\$19.3 million) represents lower than anticipated bond sales (\$21.0 million). The budgeted amount represents two years worth of bond proceeds, however in 2002-2003 it was decided to sell the bonds each year, therefore only \$30.0 million was sold, rather than the budgeted amount of \$51.0 million. This variance was partially offset by higher than anticipated interest earnings on the bond proceeds (\$1.7 million).

Unexpended project funds produced the \$23.6 million positive variance in budgeted program expenditures. The Alum Rock Branch Library project (\$9.5 million), Land Acquisition project (\$7.0 million), Tully Road Branch Library project (\$2.3 million), and Berryessa Branch Library project (\$2.1 million), all generated savings due to project delays. The Land Acquisition project was delayed due to difficulty in locating sites for three branches (Cambrian Branch, Southeast Branch and West Side Branch). The project savings from the Alum Rock Branch and Berryessa Branch resulted from a Council-approved decision to delay these projects due to their relatively high operating and maintenance impact on the General Fund. The Tully Road Branch Library project had a contract award in February 2003, however, the funds were not encumbered until August 2003, therefore the funds were rebudgeted to 2003-2004. Costs for the Vineland Branch, Program Management, Almaden Branch, and Evergreen Branch projects were also lower than originally anticipated in 2002-2003 due to lower than anticipated project costs in project award phase. With the exception of Program Management, these funds have been or will be rebudgeted

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CAPITAL IMPROVEMENT PROGRAM FUNDS

Branch Library Bond Projects Fund (Cont'd.)

to 2003-2004 to ensure adequate funding to complete the projects. The majority of these savings were anticipated and rebudgeted to 2003-2004, with the remaining balance recommended for rebudget as part of this document.

The 2002-2003 ending fund balance is \$779,000 higher than the estimate used in the development of the 2003-2004 Adopted Budget. This variance is largely due to lower than estimated expenditures (\$652,000), and higher than anticipated revenues (\$127,000).

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

City Hall Renovation Construction Fund

The City Hall Renovation Construction Fund was established in 2002-2003 to account for the revenues and construction costs related to the renovation of the existing City Hall.

City Hall Renovation Construction Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|----------|----------|----------|---------------------|
| <i>Revenue</i> | \$ 2,400 | \$ 2,400 | \$ - | 0.0% |
| <i>Expenditure</i> | 600 | 334 | 266 | 44.3% |
| <i>Fund Balance (est. *)</i> | 1,930 | 2,066 | 136 | 7.0% |

The \$2.4 million loan from the Sewage Treatment Plant Connection Fee Fund was received as budgeted.

The expenditure variance totaled \$266,000 due to lower than anticipated expenditures in the City Hall Renovation project appropriation. Services for completion of an assessment study, occupancy plan, and programming originally budgeted in 2002-2003 will be performed in 2003-2004, resulting in lower expenditures in 2002-2003. A portion of these savings (\$130,000) was anticipated at the end of 2002-2003 and these funds were rebudgeted in the 2003-2004 Adopted Budget. Additional savings of \$135,000 are recommended to be rebudgeted in this document.

The 2002-2003 ending fund balance was \$136,000 above the estimate used in the development of the 2003-2004 budget due to lower than anticipated expenditures. As discussed above, these expenditure savings will be rebudgeted to 2003-2004 to maintain the project funding.

Civic Center Construction Fund

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Civic Center Construction Fund

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

Civic Center Construction Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|------------|------------|------------|---------------------|
| <i>Revenue</i> | \$ 274,299 | \$ 264,540 | \$ (9,759) | (3.6%) |
| <i>Expenditure</i> | 283,126 | 195,864 | 87,262 | 30.8% |
| <i>Fund Balance (est. *)</i> | 68,817 | 77,610 | 8,793 | 12.8% |

The revenue estimate included in the 2002-2003 budget was based on the assumptions that all of the bonds necessary to complete both the new Civic Center and the Civic Center parking garage would be sold during 2002-2003 and the project would be net funded (the amount of bonds issued would be reduced by the estimate of the amount of interest to be earned on bond proceeds). While the majority of bonds were sold in 2002-2003, a remaining bond issuance is necessary to fully fund the project. It is anticipated that the additional financing will be provided in 2003-2004. Interest earnings also fell below the budgeted level by \$1.3 million due to lower than anticipated interest rate yields and an understatement of the earnings because a portion of the interest earnings (\$431,000) had not yet been reflected in the Civic Center Construction Fund. These negative revenue variances were partially offset by higher than anticipated bond proceeds resulting from the decision to gross fund (the amount of bonds issued were sufficient to pay the full cost of the project and the associated financing-related costs) rather than net fund this project. However, the 2002-2003 bond issuance was not sufficient to accomplish this. When the final bonds are issued, they will be sufficient to fully fund the project. These factors resulted in a net negative revenue variance of \$9.8 million.

Expenditure variances totaled \$87.3 million. The largest variance was in the Construction (\$84.4 million) allocation with smaller variances in the Public Art (\$2.6 million), Consultants (\$156,000), and Design and Construction Management (\$108,000) categories. The lower expenditure level was anticipated at the end of the 2002-2003 and the majority of the funds were rebudgeted in the 2003-2004 Adopted Budget. Rebudget adjustments are recommended in this report to adjust the 2003-2004 appropriations based on actual year-end expenditures. In 2002-2003, the actual expenditures and encumbrances of \$195.9 million were spread as follows:

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Civic Center Construction Fund (Cont'd.)

- \$113.8 million from the Construction allocation was used to start major construction phases of the project, which included excavation piles, foundation, structural steel and concrete, curtainwall, mechanical, electrical, and plumbing contracts.
- \$41.9 million was transferred to the Redevelopment Agency as reimbursement for land acquisition costs.
- \$34.3 million from the Consultants allocation was used primarily to complete the design phase of the project and for construction management services. Other consultant services were provided for archeological services, soil remediation, peer reviews, and operational planning.
- \$2.3 million was transferred to the Sanitary Sewer Connection Fee Fund as a loan repayment.
- \$1.6 million was transferred to the Debt Service Fund for the Civic Center project as a technical adjustment to properly account for the potential arbitrage liability.
- \$1.5 million was spent from the Design and Construction Management allocation to continue the project oversight.
- \$350,000 was spent from the Public Art allocation to support the design phase of the public art component.

The 2002-2003 ending fund balance was \$8.8 million above the estimate used in the development of the 2002-2003 budget due to higher than estimated revenues (\$179,000) and lower expenditures (\$8.6 million). The expenditure savings will be rebudgeted to 2002-2003.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Civic Center Parking Fund

In 2002-2003, the Civic Center Parking Fund accounted for the expenditure of bond proceeds for the new Civic Center off-site parking garage. In 2001-2002, this Fund also accounted for the new Civic Center on-site parking garage.

Civic Center Parking Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|-------------|---------------------|
| <i>Revenue</i> | \$ 38,080 | \$ 13,807 | \$ (24,273) | (63.7%) |
| <i>Expenditure</i> | 39,347 | 11,627 | 27,720 | 70.5% |
| <i>Fund Balance (est. *)</i> | 6,015 | 3,447 | (2,568) | (42.7%) |

The revenue variance of \$24.3 million is due to lower than anticipated bond proceeds (\$23.4 million) and interest earnings (\$873,000). When the 2002-2003 budget was developed, it was assumed that all of the bonds for this project would be issued in 2002-2003. It is now anticipated that financing for this project will be completed in 2003-2004.

Expenditure variances totaled \$27.7 million. Almost all of these variances occurred in the New Civic Center Parking Garage appropriation (\$22.7 million) and the Land Acquisition appropriation (\$4.9 million). Significant savings were anticipated at the end of the 2002-2003 fiscal year and these funds were rebudgeted in the 2003-2004 Adopted Budget. While the actual expenditures were well below the budgeted level, they exceeded the estimates used in the development of the 2003-2004 Adopted Budget. As a result, clean-up actions are recommended in this report to reduce the rebudgets for the New Civic Center Parking Garage and the Land Acquisition appropriations. The actual expenditures and encumbrances of \$11.6 million were allocated as follows:

- \$7.7 million was transferred to the Redevelopment Agency as reimbursement for land acquisition costs.
- \$1.9 million was used for design services, environmental review, soil studies, and project management.
- \$1.6 million was transferred to the Sanitary Sewer Connection Fee Fund as a loan repayment.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Civic Center Parking Fund (Cont'd.)

- \$415,000 was transferred to the Civic Center Construction Fund in an attempt to align the budgets with the actual land acquisition costs. This transaction, however, was not necessary because the distribution of bond proceeds had been adjusted to reflect the actual costs. An action is recommended in this report to reverse this transaction.

The 2002-2003 ending fund balance was \$2.6 million below the estimate used in the development of the 2003-2004 budget due to higher than anticipated expenditures. The recommended clean-up actions will bring expenditures in line with the overall project budget.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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.

Construction Excise Tax Fund

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|-----------|-----------|----------|---------------------|
| <i>Revenue</i> | \$ 32,152 | \$ 34,959 | \$ 2,807 | 8.7% |
| <i>Expenditure</i> | 46,876 | 35,202 | 11,674 | 24.9% |
| <i>Fund Balance (est. *)</i> | 18,407 * | 27,797 | 9,390 | 51.0% |

Total revenues of \$35.0 million include receipts from the Construction Excise Tax, state and federal grants, developer contributions, interest, and other miscellaneous revenues.

The positive revenue variance (\$2.8 million) is due primarily to very strong receipts in the Construction Excise Tax (\$4.8 million variance), which were partly offset by project delays that impacted the timing of reimbursements from other agencies (-\$1.7 million variance). Construction Excise Tax receipts had been depressed for over a year and a half. However, beginning in the third quarter of 2002-2003, receipts experienced an unpredictably strong resurgence, resulting largely from near-record levels of residential development activity. Due entirely to performance in the latter part of the year, 2002-2003 revenues outperformed 2001-2002 actuals, and resulted in the strongest year of collections since the recent boom year of 2000-2001. At \$16.95 million, receipts in 2002-2003 were \$2.1 million higher than 2001-2002 collections (\$14.87 million) and \$4.8 million higher than conservative estimates of \$12.1 million that did not assume a several month surge in the second part of the year in the local development-related economy.

In addition, delays in the Measure A/B Street Maintenance project also impacted the timing of reimbursements from other agencies (\$1.7 million) and these revenues have been rebudgeted into 2003-2004. Reimbursable work will be completed in 2003-2004 at which time final invoicing will occur for the remainder of this large, multi-year grant. Finally, revenues from the Transportation Development Act (TDA) for Pedestrian and Bicycle Facilities were \$314,000 lower than estimated. Staff has succeeded in reauthorizing certain grants and it is

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Construction Excise Tax Fund (Cont'd.)

anticipated that much of this revenue variance can be reprogrammed later in 2003-2004.

Unexpended project funds resulted in an \$11.7 million positive variance in budgeted program expenditures. However, the 2002-2003 expenditure estimates used to developed the current CIP varied from actual year-end results by only \$5.6 million. The variance to budget was caused primarily by the following projects with significant expenditure variances (\$000's):

| | | |
|---|-----------|--------------|
| North San José Deficiency Plan Improvements | \$ | 2,730 |
| Traffic Calming | | 1,932 |
| Street Maintenance - TCRP | | 773 |
| Street Maintenance | | 740 |
| City-Wide Sidewalk Repairs | | 495 |
| Hellyer Piercy Improvement District and Great Oaks-Route 85 CFD #6 | | 473 |
| Curb Accessibility Program | | 457 |
| Route 101: Mabury Interchange Upgrade | | 400 |
| Bicycle and Pedestrian Facilities | | 344 |
| Curb and Gutter Repair | | 333 |
| Transit Mall Artwork | | 300 |
| Total | \$ | 8,977 |

Following are descriptions of the projects' variances:

- The North San José Deficiency Plan Improvements project funds sidewalk improvements and congestion mitigation in the North San José area over several years. The bulk of the work is not scheduled until 2003-2004 and beyond, pending project scoping and site selection, and most of the funds were rebudgeted to make them available for the project in 2003-2004.
- The Traffic Calming appropriation is an annual program funding various projects in coordination with neighborhoods and Council Offices. The remaining balance has been rebudgeted into 2003-2004 to continue work on these projects.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Construction Excise Tax Fund (Cont'd.)

- The Street Maintenance – TCRP project supports street maintenance at various locations in the City. Maintenance work at the Capitol Light Rail corridor was begun in late spring 2002-2003. Staff had anticipated that funds for the project would be fully encumbered by the end of 2002-2003, however delays in paperwork mean that the funds were not encumbered in 2002-2003 and are required in 2003-2004 to complete the project.
- The Street Maintenance project funds street maintenance for arterial and residential streets at various locations throughout the City. Although work in the amount of \$6.6 million was completed on these projects in 2002-2003, \$740,000 was not completed before the end of the fiscal year and will be reprogrammed into 2003-2004.
- The City-Wide Sidewalk Repairs project was not fully expended because grants extended to property owners for sidewalk work have not been collected. This funding will be rebudgeted to 2003-2004.
- The Hellyer Piercy Improvement District and Great Oaks-Route 85 CFD #6 project reimburses contractors for work and is funded by developer contributions. The project, established by Council in spring 2003, provides supplemental funding for existing contracts and included funds needed for 2002-2003 and 2003-2004. Savings will be reprogrammed into 2003-2004 to ensure that sufficient funding is available to reimburse contractors using developer deposits at the time the contractors make reimbursement requests.
- The Curb Accessibility Program project funds curb ramps at street intersections to remove barriers for elderly and disabled persons. The bulk of the work is not scheduled until 2003-2004 and beyond, pending project scoping and site selection.
- The Route 101: Mabury Interchange Upgrade project provides advanced engineering work to support the reconstruction of the existing Overcrossing at Taylor, Mabury and Route 101 into a full interchange with access to both the east and west sides of Route 101. The funding is not anticipated to be spent until certain studies are completed by the Valley Transportation Authority (VTA). Results from these studies are needed prior to beginning the advanced engineering work.
- The Bicycle and Pedestrian Facilities project is an annually funded program that constructs various bicycle and pedestrian facilities using a combination of grants and city funds. The 2002-2003 estimate included more projects than could be completed within the year, and these unexpended funds have been rebudgeted into 2003-2004.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Construction Excise Tax Fund (Cont'd.)

- The Curb and Gutter Repair project is a citywide program to repair curbs and gutters along City streets. The remaining balance has been rebudgeted into 2003-2004 to fund grant payments to property owners that have been awarded but not yet collected.
- The Transit Mall Artwork project was delayed by continuing site negotiations with the Redevelopment Agency. Although in process by the end of 2002-2003, a contract was not fully executed and Council approved a rebudget of the funds in June 2003. The design contract has now been awarded and a fabrication contract is expected to award in fall 2003.

The remaining variance (\$2.7 million) reflects unexpended funds in a number of projects with balances of less than \$300,000.

The 2002-2003 ending fund balance is \$9.4 million higher than the estimated fund balance of \$18.4 million. This variance reflects a combination of higher than estimated revenues (\$3.8 million) and lower than estimated expenditures (\$5.6 million). Most of this additional fund balance (\$4.7 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.)

Neighborhood Security Bond Fund Projects

On March 5, 2002 the voters in San José approved Measure O, the "9-1-1, Fire, Police, Paramedic and Neighborhood Security Act" (Neighborhood Security Act Bond Measure). This bond measure authorized the City to issue General Obligation Bonds in an amount not to exceed \$159 million to fund projects in both Police and Fire Departments. The Adopted 2004-2008 CIP includes \$153.1 million from the Neighborhood Security Act Bond Measure to enhance police, fire, and medical emergency response services and facilities.

***Neighborhood Security
Bond Fund
Projects***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 39,425 | \$ 40,660 | \$ 1,235 | 3.1% |
| <i>Expenditure</i> | 31,566 | 2,674 | 28,892 | 91.5% |
| <i>Fund Balance (est. *)</i> | 34,645 | 37,986 | 3,341 | 9.6% |

The positive revenue variance of \$1.2 million is due entirely to higher than anticipated interest earnings on the bond proceeds that were not included in the budgeted estimate but will be available for future project expenditures.

Unexpended project funds produced the \$28.9 million positive variance in budgeted program expenditures. A significant portion of this variance resulted from a Council-approved decision that, in response to the extremely serious fiscal challenges facing the City, reprioritized capital improvement schedules to accelerate items that have beneficial or neutral impacts on the General Fund and defer those with a negative impact. Fire Station 34 (Berryessa) was deferred by one year, generating savings of \$722,000. Land Acquisition for the remaining new fire stations had savings of \$4.4 million as a result of the Council-approved strategy. Consequently, no Public Art funding for new fire stations has been expended, generating \$514,000 in project savings.

In addition, the South San José Police Substation had project savings of \$12.8 million due to delays in locating and acquiring a suitable site. As a result, Public Art funding for the substation has also been delayed, resulting in project savings of \$1.1 million. Likewise, the Fire Training Center experienced site selection delays, generating savings of \$3.5 million. The Fire Station Upgrades project generated savings of \$5.7 million due in part to project scope changes and in part to the fact that several project award dates were not scheduled to occur until the beginning of

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Neighborhood Security Bond Fund Projects (Cont'd.)

2003-2004, but the funding was allocated in 2002-2003 in the event that the design phases were completed ahead of schedule. Of the program savings of \$28.9 million, the majority of these savings were anticipated and rebudgeted to 2003-2004 (\$26.1 million), with the remaining balance recommended for rebudget as part of this document (\$2.8 million).

The 2002-2003 ending fund balance is \$3.3 million higher than the estimate used in the development of the 2004-2008 Adopted CIP. This variance is largely due to lower than estimated expenditures (\$2.8 million), offset by higher than anticipated revenues (\$511,000). This additional fund balance will be recommended for rebudget to provide sufficient funding for projects in the current year.

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

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.

Bond Projects Fund

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>Percent Variance</u> |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 86,319 | \$ 49,288 | \$ (37,031) | (42.9%) |
| <i>Expenditure</i> | 76,152 | 35,555 | 40,597 | 53.3% |
| <i>Fund Balance (est. *)</i> | 40,947 * | 45,303 | 4,356 | 10.6% |

Funding for this program is provided mainly from bond proceeds that were received in 2001-2002 and 2002-2003. The negative revenue variance of \$37,031 is mainly attributed to lower than anticipated bond sales. The budgeted amount represents two years worth of bond proceeds, however in 2002-2003 it was decided to sell the bonds each year, therefore only \$46.7 million was sold, rather than the budgeted amount of \$86.3 million. This variance is partially offset by higher than anticipated interest earnings on the bond proceeds (\$2.5 million).

The positive expenditure variance of \$40.6 million reflects unexpended project funds. A significant portion of this variance (\$11.7 million) resulted from a Council-approved decision to delay the Shady Oaks Sports Park, Singleton Sports Park and Emma Prusch Memorial Park due to their relatively high operating and maintenance impact on the General Fund. The Morrill Community Center project also generated a large savings (\$4.1 million) due to delays associated with coordination efforts and design review efforts with Berryessa Unified School District. The Camden Community Center project (\$1.4 million) and the Gardner Community Center project (\$1.1 million) both produced savings due to delays in the award of the construction contract. The Saratoga Creek Trail - Route 280 to Murdock project (\$1.8 million) and the Los Gatos Creek Trail project (\$1.0 million) were both delayed after the projects were rescoped. The Coyote Creek Trail (\$563,000) produced project savings because the project was delayed by community meetings. The Almaden Community Center project (\$1.7 million) had its project dates adjusted so it aligned with the Almaden Branch Library project. Public Art-Parks and Recreation Bond projects (\$2.5 million) produced savings because the art selection process took longer than originally anticipated. The Almaden Lake Park project (\$331,000) also produced a small savings due to a delay. This project incorporated General Fund money, Bond funds and Park Trust Fund

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CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Parks and Recreation Bond Projects Fund (Cont'd.)

money. The General Fund funding was placed on hold as part of a Council-approved action. This funding was rebudgeted to 2003-2004 to ensure adequate funding to complete this project. The Happy Hollow Phase I (\$6.4 million) and Happy Hollow Phase II (\$909,000) projects also produced large project savings. During 2002-2003, this project was re-examined and re-phrased from 6 phases to 2 phases. The funds for the project were, therefore, redistributed over the next eight fiscal years. A large portion of overall project savings in the fund (\$28.3 million) were anticipated and rebudgeted to 2003-2004, with much of the remaining balance (\$2.7 million) recommended for rebudget as part of this document.

The 2002-2003 fund balance is \$4.4 million higher than the estimate used in the development of the 2003-2004 Adopted Capital Budget due to higher than anticipated interest earnings (\$876,000) and lower than expected expenditures (\$3.4 million). As mentioned above, the majority of these savings (\$2.7 million) are recommended for rebudget as part of this document.

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



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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, as well as correct errors in the 2003-2004 Adopted Budget. Also included are transfers between funds to shift project costs to the appropriate funding sources.

General Fund Fee Program Reconciliation - These actions adjust the fee reserves in the Planning, Building, Public Works and Fee Programs to reconcile final 2002-2003 program costs and revenues.

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 2003-2004 budget for all funds where the actual 2002-2003 Ending Fund Balance/2003-2004 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.

Salary Program Adjustments – The 2003-2004 Salary Program provides supplemental appropriations to the Police and Fire Departments to reflect Council-approved and recently negotiated salary increases for members of Police Officers' Association and International Association of Firefighters that became effective after the adoption of the 2003-2004 Operating Budget. In addition, downward adjustments to departments to reflect the suspension for one year the Professional Development Program reimbursements for unrepresented management employees and the elimination of any pay increases (performance, merit, or cost-of-living) in 2003-2004 for the City's top management team have been included. For administrative ease these reductions were reflected in the Salary Reserve in the Adopted Operating Budget.

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Clean-up Adjustment Actions (Cont'd.)

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

Overhead Adjustment – This action includes funding for overhead reimbursement to the General Fund in the Economic Development Enhancement Fund. This will correct an error in the Adopted Budget.

**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 | |
| MAYOR & COUNCIL | | | | | | | | |
| Council District 1 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 2 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 3 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 4 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 5 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 6 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 7 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 8 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council District 9 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |

**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 | |
| MAYOR & COUNCIL | | | | | | | | |
| Council District 10 Technical Adjustment | (\$12,061) | | | | (\$12,061) | | | (\$12,061) |
| Reduces funding in each Council District for cost-of-living increases. This adjustment corrects an error in the Adopted Budget. | | | | | | | | |
| Council General - Technical Adjustment | | | \$32,189 | | \$32,189 | | | \$32,189 |
| Increases Council General to reflect the net impact of reduced compensation's impact upon benefits (-\$30,375) and adjustments for Mayor and Council Member salaries and benefits (\$62,564). This adjustment corrects errors in the Adopted Budget. | | | | | | | | |
| TOTAL MAYOR & COUNCIL | (\$120,610) | | \$32,189 | | (\$88,421) | \$0 | | (\$88,421) |
| EMPLOYEE SERVICES | | | | | | | | |
| Physician Funding | \$22,000 | | | | \$22,000 | | | \$22,000 |
| Reallocates funding for a physician in Employee Health Services from retirement funding to the General Fund. A proposal to reallocate a portion of a physician was included in the 2003-2004 Adopted Operating Budget. A more thorough review of services provided on behalf of the retirement funds was completed and it is now necessary to reverse a portion of that action. | | | | | | | | |
| TOTAL EMPLOYEE SERVICES | \$22,000 | | | | \$22,000 | \$0 | | \$22,000 |
| FINANCE | | | | | | | | |
| Finance Dept. General Fund Rebalancing Substitution | \$5,000 | | | | \$5,000 | \$5,000 | | \$0 |
| This action substitutes in part for a proposal to assess Special Accounting Fees included, but not implemented, in the recent General Fund Rebalancing Action due to the outcome of the meet and confer process. Recommended actions include the recognition of additional Business Tax revenues (\$59,000), an adjustment to the impact to interest earnings from the State Budget, the substitution of an Accountant for an eliminated Admin. Officer and the reversal of an Investigator Collector reallocation. | | | | | | | | |
| TOTAL FINANCE | \$5,000 | | | | \$5,000 | \$5,000 | | \$0 |
| POLICE | | | | | | | | |



**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 | |
| POLICE | | | | | | | |
| County Laboratory Fees | | \$172,649 | | | \$172,649 | | \$172,649 |
| Provides additional funding for County laboratory fees to reflect the inclusion of an unanticipated 5% surcharge for computer forensic lab costs. This change was imposed by the County subsequent to the adoption of the City budget. | | | | | | | |
| Insurance Premium Adjustment | | (\$45,000) | | | (\$45,000) | | (\$45,000) |
| Decreases the Insurance Premium for police aircraft due to lower than expected premiums. | | | | | | | |
| Interoperability Grant Application Match | | \$100,000 | | | \$100,000 | | \$100,000 |
| Provides funding for San Jose's share of the local match for an SB 720 grant that a collaborative of jurisdictions has applied for in 2003-2004. The grant funds would provide for real time exchange of critical information to improve public safety and emergency services within Santa Clara County. | | | | | | | |
| Reallocation: Ineligible LLEBG Expenditures | | (\$35,816) | | | (\$35,816) | | (\$35,816) |
| Upon completion of an audit of expenditures in Local Low Enforcement Block Grant Funds a portion of the purchases was determined to not be eligible for reimbursement. As a result, funds need to be restored to the Fund from the Police Department's General Fund Non-Personal/Equipment appropriation. | | | | | | | |
| TOTAL POLICE | | \$191,833 | | | \$191,833 | \$0 | \$191,833 |
| FIRE | | | | | | | |
| Fire Development Fee Program | (\$135,990) | (\$8,650) | | | (\$144,640) | | (\$144,640) |
| Reduces the Fire Department's Personal and Non-Personal/ Equipment appropriations to reflect deletion of a term-limited Sr. Engineer position. In 2001-2002, in order to address workload, a Senior Engineer position was added for two years. Funds will be restored to the Fire Fee Reserve. | | | | | | | |
| TOTAL FIRE | (\$135,990) | (\$8,650) | | | (\$144,640) | \$0 | (\$144,640) |
| GENERAL SERVICES | | | | | | | |
| Domestic Violence Center Lease Costs | | (\$22,477) | | | (\$22,477) | | (\$22,477) |
| Reduces funding allocated for the Police Department's Domestic Violence Center lease payments. Negotiations to continue the existing lease were successful in reducing the cost per square foot. | | | | | | | |

**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 | |
| GENERAL SERVICES | | | | | | | | |
| Martin Luther King Jr. Main Library Move | | \$168,000 | | | \$168,000 | | | \$168,000 |
| Adds the funding necessary to complete the relocation of staff from leased space to the recently vacated Main Library. One-time costs to relocate staff and services are greater than anticipated. | | | | | | | | |
| TOTAL GENERAL SERVICES | | \$145,523 | | | \$145,523 | \$0 | | \$145,523 |
| ENVIRON SVCS | | | | | | | | |
| Clean Cities Reward Program | | \$1,000 | | | \$1,000 | \$1,000 | | \$0 |
| Recognizes \$1,000 in additional grant revenues and appropriates corresponding expenditures for a grant received from General Motors to support the use of alternative fuel vehicle activities in 2003-2004. | | | | | | | | |
| Department of Energy- Million Solar Roofs Grant | \$4,642 | (\$4,642) | | | \$0 | | | \$0 |
| Transfers funding in the amount of \$4,642 from the Environmental Services Department non-personal/equipment appropriation to the Environmental Services Department personal services appropriation to correct a budgeting error. | | | | | | | | |
| TOTAL ENVIRON SVCS | \$4,642 | (\$3,642) | | | \$1,000 | \$1,000 | | \$0 |
| TRANSFERS | | | | | | | | |
| Reallocation: Transfer to Local Law Enforce Block Grt Fd | | | | \$35,816 | \$35,816 | | | \$35,816 |
| Upon completion of an audit of expenditures in Local Law Enforcement Block Grant Funds a portion of the purchases was determined to not be eligible for reimbursement. As a result, funds need to be restored to the Fund from the Police Department's Non-Personal/Equipment. | | | | | | | | |
| TOTAL TRANSFERS | | | \$35,816 | | \$35,816 | \$0 | | \$35,816 |
| EARMARKED RESERVES | | | | | | | | |
| Enhanced Parks Maintenance Reserve | | | \$560,392 | | \$560,392 | | | \$560,392 |
| Reserves additional funding that was received from Construction and Conveyance (C&C) Tax Funds - Parks due to higher than anticipated collections in the 2002-2003 fiscal year. By Council policy, 15% of Parks C&C are transferred annually to the General Fund for parks maintenance. | | | | | | | | |

**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 | |
| EARMARKED RESERVES | | | | | | | | |
| Reallocation: Fire Fee Reserve | | | \$144,640 | | \$144,640 | | | \$144,640 |
| Increases the Fire Fee Reserve to reflect deletion of a term-limited Sr. Engineer position. In 2001-2002, in order to address workload, a Senior Engineer position was added for two years. These funds need to be restored to the Fire Fee Reserve. | | | | | | | | |
| Reallocation: IDTS Redist./Fire Fee Program | | | (\$63,670) | | (\$63,670) | | | (\$63,670) |
| Adjusts the four Development Fee Program Reserves to more accurately reflect each program's share of the IDTS budget. The correction for the Fire Fee Program results in a cost increase of \$63,670. | | | | | | | | |
| Reallocation: IDTS Redist./Planning Fee Program | | | \$102,415 | | \$102,415 | | | \$102,415 |
| Adjusts the four Development Fee Program Reserves to more accurately reflect each program's share of the IDTS budget. The correction for the Planning Fee Program results in a cost decrease of \$102,415. | | | | | | | | |
| Reallocation: IDTS Redist./Bldg Fee Program | | | (\$164,382) | | (\$164,382) | | | (\$164,382) |
| Adjusts the four Development Fee Program Reserves to more accurately reflect each program's share of the IDTS budget. The correction for the Building Fee Program results in a cost increase of \$164,382. | | | | | | | | |
| Reallocation: IDTS Redist./Public Works Fee Program | | | \$125,637 | | \$125,637 | | | \$125,637 |
| Adjusts the four Development Fee Program Reserves to more accurately reflect each program's share of the IDTS budget. The correction for the Public Works Fee Program results in a cost decrease of \$102,415. | | | | | | | | |
| Reserve for 2004-2005 Deficit | | | \$7,340,042 | | \$7,340,042 | | | \$7,340,042 |
| Per Council policy, utilizes the net available ending fund balance funds from the 2002-2003 fiscal year to establish a reserve to address the 2004-2005 Deficit as described in the 2004-2008 Five-Year Forecast that was released in March 2003. | | | | | | | | |
| Reserve: Building Fee Reconciliation | | | \$843,191 | | \$843,191 | | | \$843,191 |
| Increases the Building Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess. | | | | | | | | |

**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 | |
| EARMARKED RESERVES | | | | | | | | |
| Reserve: Fire Fee Reconciliation | | | (\$264,432) | | (\$264,432) | | | (\$264,432) |
| Reduces the Fire Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess. In the Fire Fee Program, this results in a reduction to the Fire Fee Reserve. | | | | | | | | |
| Reserve: Planning Fee Reconciliation | | | \$70,002 | | \$70,002 | | | \$70,002 |
| Increases the Fire Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess. | | | | | | | | |
| Reserve: Public Works Fee Reconciliation | | | \$283,121 | | \$283,121 | | | \$283,121 |
| Increases the Public Works Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess. | | | | | | | | |
| TOTAL EARMARKED RESERVES | | | \$8,976,956 | | \$8,976,956 | \$0 | | \$8,976,956 |
| CAPITAL | | | | | | | | |
| Cedro Street: Cas Drive to Buckeye Drive | | | (\$100,000) | | (\$100,000) | | | (\$100,000) |
| Decreases funding for this project because the final invoice was less than originally estimated, and because the Transportation Development Act (TDA) program provided unanticipated partial funding. | | | | | | | | |
| Rocksprings Tot Lot | | | \$110,000 | | \$110,000 | \$10,000 | | \$100,000 |
| Provides funding to replace tot lot play apparatus at Rocksprings Park, which was destroyed by fire in June 2003. The estimated cost to replace the tot lot is \$110,000, however \$10,000 will be reimbursed from the City's insurance policy. | | | | | | | | |
| Streetlight Backlog | | | \$16,000 | | \$16,000 | | | \$16,000 |
| Transfers a small amount of savings from the completed Streetlighting at Schools project to the Streetlight Backlog project to cover actual expenditures necessary for completing the Streetlight Backlog project. | | | | | | | | |
| Streetlighting at Schools | | | (\$16,000) | | (\$16,000) | | | (\$16,000) |
| Transfers a small amount of savings from the completed Streetlighting at Schools project to the Streetlight Backlog project to cover actual expenditures necessary for completing the Streetlight Backlog project. | | | | | | | | |
| TOTAL CAPITAL | | | \$10,000 | | \$10,000 | \$10,000 | | \$0 |

**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 | |
| CITY-WIDE | | | | | | | | |
| Historic Preservation Funds | | | \$12,000 | | \$12,000 | | | \$12,000 |
| Additional revenue was received from a settlement with a developer for illegal demolition of a historic property site during 2002-2003. This action preserves those funds for use in the Historic Resources Program. | | | | | | | | |
| Insurance Premium Adjustment | | | (\$70,000) | | (\$70,000) | | | (\$70,000) |
| Decreases the Insurance Premium appropriation due to lower than expected premiums. | | | | | | | | |
| Police Officers' Prof Liability Insurance Adjustment | | | (\$109,000) | | (\$109,000) | | | (\$109,000) |
| Decreases the Police Officers' Professional Liability Insurance Premium appropriation to reflect lower than expected premium requirements. | | | | | | | | |
| Rebalancing Technical Adjustment | | | | | \$0 | \$670,509 | (\$670,509) | \$0 |
| Decreases Beginning Fund Balance and establishes a new funding source (Liquidation of Encumbrances). This adjustment technically corrects for an error in the funding sources resolution amendments approved by City Council September 9, 2003 that implemented the General Fund Rebalancing Strategy. | | | | | | | | |
| Revenue Enhancement Consulting Services Adjustment | | | (\$142,000) | | (\$142,000) | | | (\$142,000) |
| Reduces the Revenue Enhancement Consulting Services appropriation by \$142,000 to reflect lower than anticipated reimbursement requirements. | | | | | | | | |
| TOTAL CITY-WIDE | | | (\$309,000) | | (\$309,000) | \$670,509 | (\$670,509) | (\$309,000) |
| Sub Total General Fund Actions | (\$224,958) | \$325,064 | \$8,745,961 | | \$8,846,067 | \$686,509 | (\$670,509) | \$8,830,067 |

**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 | |
| E PRUSCH MEM PK IMPR FD (131) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Transfer to the General Fund: Operating Expenses | | | (\$18,000) | \$18,000 | \$0 | | | \$0 |
| Eliminates a transfer to the General Fund for operating expenses. This action was mistakenly established in the 2003-2004 Adopted Capital Budget. Funding will be returned to the Ending Fund Balance. | | | | | | | | |
| Total for Fund 131 | | | (\$18,000) | \$18,000 | \$0 | \$0 | | \$0 |
| WORKFORCE INVESTMENT ACT (290) | | | | | | | | |
| ECON DEVELOP | | | | | | | | |
| Technology to Teacher Program | | | \$160,000 | | \$160,000 | \$160,000 | | \$0 |
| Increases the Technology to Teacher Program. Due to the successful implementation of the Technology to Teacher program by the City, the State awarded an additional \$160,000 for 2003-2004. | | | | | | | | |
| Total for Fund 290 | | | \$160,000 | | \$160,000 | \$160,000 | | \$0 |
| SUBDIVISION PARK TRUST FD (375) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Almaden Winery Center Conversion | | | \$102,000 | | \$102,000 | | | \$102,000 |
| Increases the Almaden Winery Center Conversion project. A related action eliminates the Almaden Winery Park Reserve. Additional improvements will be made at this facility based on information received at community meetings and enhancements recommended by the Council Office. | | | | | | | | |
| Hillstone Park Development | | | \$699,000 | | \$699,000 | | | \$699,000 |
| Provides funding for the Hillstone Park Development project. A related action eliminates the Hillstone Park Reserve (\$489,000) and the Evergreen Center Reserve (\$210,000). Community meetings have taken place and construction documents have been completed, so the project is now ready to proceed. | | | | | | | | |



**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 | |
| SUBDIVISION PARK TRUST FD (375) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Reserve: Almaden Winery Park | | | (\$102,000) | | (\$102,000) | | | (\$102,000) |
| Eliminates the Almaden Winery Park Reserve. A related action increases the Almaden Winery Center Conversion project. Additional improvements will be made at this facility based on information received at community meetings and enhancements recommended by the Council Office. | | | | | | | | |
| Reserve: Evergreen Center Development | | | (\$210,000) | | (\$210,000) | | | (\$210,000) |
| Eliminates the Evergreen Center Development Reserve to provide funding to the Hillstone Park Development project. Because the Evergreen Center funds are not needed at this time, these funds are being redirected to the Hillstone Park project, which is in the same general area. | | | | | | | | |
| Reserve: Future PDO/PIFO Projects | | | (\$25,000) | | (\$25,000) | | | (\$25,000) |
| Reduces the Reserve for Future PDO/PIFO Projects to provide funding for the Santana Park Expansion project. | | | | | | | | |
| Reserve: Hillstone Park Development | | | (\$489,000) | | (\$489,000) | | | (\$489,000) |
| Eliminates the Hillstone Park reserve to provide funding for the Hillstone Park Development project. Community meetings have taken place and construction documents have been completed, so the project is now ready to proceed. | | | | | | | | |
| Reserve: Sixth and Bestor Park Development | | | (\$130,000) | | (\$130,000) | | | (\$130,000) |
| Eliminates the Sixth and Bestor Park Development Reserve to provide funding for the Sixth and Bestor Park Development project. | | | | | | | | |
| Santana Park Expansion | | | \$25,000 | | \$25,000 | | | \$25,000 |
| Provides funding for real estate services and related costs associated with the expansion of Santana Park. This funding was received from a developer and relates to a parkland dedication requirement of the Santana Row project. | | | | | | | | |
| Sixth and Bestor Park Development | | | \$280,000 | | \$280,000 | \$150,000 | | \$130,000 |
| Provides funding for the construction of a new park at Sixth and Bestor, and recognizes developer contributions of \$150,000. The remainder of the funding comes from an existing reserve (\$130,000). | | | | | | | | |

**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 | |
| SUBDIVISION PARK TRUST FD (375) | | | | | | | | |
| Total for Fund 375 | | | \$150,000 | | \$150,000 | \$150,000 | | \$0 |
| CONST/CONV TAX FD PARKS CD3 (380) | | | | | | | | |
| Parks/Commy Fac Capital Pgm | | | | | | | | |
| San Pedro Site Improvements | | | \$50,000 | | \$50,000 | \$50,000 | | \$0 |
| Establishes funding, provided by a developer's contribution, for improvements to the San Pedro Street property adjacent to Ryland Park. | | | | | | | | |
| Total for Fund 380 | | | \$50,000 | | \$50,000 | \$50,000 | | \$0 |
| CONST/CONV TAX FD PARKS CD8 (386) | | | | | | | | |
| Parks/Commy Fac Capital Pgm | | | | | | | | |
| School Improvement/Sports Field Grants | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Establishes funding so a grant may be issued to Evergreen Valley College for the resurfacing of the College's tennis courts in exchange for public access to the improved courts. | | | | | | | | |
| Total for Fund 386 | | | \$50,000 | (\$50,000) | \$0 | \$0 | | \$0 |
| CONST/CONV TX FD PKS CD10 (389) | | | | | | | | |
| Parks/Commy Fac Capital Pgm | | | | | | | | |
| Earned Revenue | | | | (\$150,000) | (\$150,000) | (\$150,000) | | \$0 |
| Decreases the estimate for Earned Revenue by \$150,000. The Jake Eby Grant was estimated to be received in 2003-2004, however the funds were actually received in 2002-2003 and factored into the 2002-2003 ending fund balance. | | | | | | | | |
| Total for Fund 389 | | | | (\$150,000) | (\$150,000) | (\$150,000) | | \$0 |
| CONST/CONV TAX-CENTRAL FD (390) | | | | | | | | |



**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 | |
| CONST/CONV TAX-CENTRAL FD (390) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$44,000 | (\$44,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 390 | | | \$44,000 | (\$44,000) | \$0 | \$0 | | \$0 |
| CONST/CONV TAX FIRE (392) | | | | | | | | |
| Public Safety Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 392 | | | \$3,000 | (\$3,000) | \$0 | \$0 | | \$0 |
| CONSTR/CONV TX-LIBRARY (393) | | | | | | | | |
| Library Capital Program | | | | | | | | |

**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 | |
| CONSTR/CONV TX-LIBRARY (393) | | | | | | | | |
| Library Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 393 | | | \$3,000 | (\$3,000) | \$0 | \$0 | | \$0 |
| CONST/CONV TX CW-SRVC YDS (395) | | | | | | | | |
| Service Yards Capital Program | | | | | | | | |
| IT Costs- CIP Database Enhancement Project | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 395 | | | \$3,000 | (\$3,000) | \$0 | \$0 | | \$0 |
| CONST/CONV TX CW COMM (397) | | | | | | | | |
| Communications Capital Program | | | | | | | | |



**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 | |
| CONST/CONV TX CW COMM (397) | | | | | | | | |
| Communications Capital Program | | | | | | | | |
| IT Costs- CIP Database Enhancement Project | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 397 | | | \$6,000 | (\$6,000) | \$0 | \$0 | | \$0 |
| CONST/CONV TX CW PKS MAINT (398) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Kelley Park Maintenance Yard Renovation | | | \$20,000 | (\$20,000) | \$0 | | | \$0 |
| Provides funding for the final activities for the Kelley Park Maintenance Yard project. Funding will provide for the purchase and installation of fixtures, furnishings and equipment. | | | | | | | | |
| Transfer to the General Fund: Operating Expenses | | | (\$16,000) | \$16,000 | \$0 | | | \$0 |
| Eliminates a transfer to the General Fund for operating expenses. This action was mistakenly established in the 2003-2004 Adopted Capital Budget. Funding will be returned to the Ending Fund Balance. | | | | | | | | |
| Total for Fund 398 | | | \$4,000 | (\$4,000) | \$0 | \$0 | | \$0 |
| STORM DRAINAGE FEE FD (413) | | | | | | | | |
| Storm Sewer Capital Program | | | | | | | | |

**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 | |
| STORM DRAINAGE FEE FD (413) | | | | | | | | |
| Storm Sewer Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 413 | | | \$1,000 | (\$1,000) | \$0 | \$0 | | \$0 |
| FEDERAL LLEBG PROG (415) | | | | | | | | |
| POLICE | | | | | | | | |
| Ineligible LLEBG Expenditures | | | | \$35,816 | \$35,816 | \$35,816 | | \$0 |
| Increases Ending Fund Balance to recognize a transfer from the General Fund for payment of non-reimbursed purchases. Upon completion of an audit of expenditures in Local Low Enforcement Block Grant Funds a portion of the purchases was determined to not be eligible for reimbursement. | | | | | | | | |
| Total for Fund 415 | | | | \$35,816 | \$35,816 | \$35,816 | | \$0 |
| UNDERGRND UTILITY FD (416) | | | | | | | | |
| Devel Assisted Capital Program | | | | | | | | |
| IT Costs- CIP Database Enhancement Project | | | \$8,000 | (\$8,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |



**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 | |
| UNDERGRND UTILITY FD (416) | | | | | | | | |
| Total for Fund 416 | | | | \$8,000 | (\$8,000) | \$0 | \$0 | \$0 |
| RES CONST TAX CONTR FUND (420) | | | | | | | | |
| Devel Assisted Capital Program | | | | | | | | |
| IT Costs- CIP Database Enhancement Project | | | | \$3,000 | (\$3,000) | \$0 | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 420 | | | | \$3,000 | (\$3,000) | \$0 | \$0 | \$0 |
| INT WASTE MGT FUND (423) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Residential Street Sweeping Signage | | | | | | \$382,000 | | \$382,000 |
| Transfers funds for residential street sweeping signage from the Environmental Services Department to the Department of Transportation (DOT) to centralize funding for residential street sweeping signage. | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Residential Street Sweeping Signage | | | | (\$382,000) | | (\$382,000) | | (\$382,000) |
| Transfers funds for residential street sweeping signage from the Environmental Services Department to the Department of Transportation (DOT) to centralize funding for residential street sweeping signage. | | | | | | | | |
| Total for Fund 423 | | | | | | \$0 | \$0 | \$0 |
| CIVIC CTR CONST FD (425) | | | | | | | | |

**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 | |
| CIVIC CTR CONST FD (425) | | | | | | | | |
| Civic Center Capital Program | | | | | | | | |
| Reduce Reserve for Capital Facility Improvements | | | (\$1,914,000) | \$1,914,000 | \$0 | | | \$0 |
| Reduces the Reserve for Capital Facility Improvements based on the actual 2002-2003 performance. This Reserve was established using interest earnings that are not needed to fund the Civic Center project costs of \$343 million. Because interest earnings were lower than anticipated and all of the bonds have not yet been issued, this Reserve needs to be reduced to reflect the actual additional funds above the project costs that are currently available. | | | | | | | | |
| Transfer to Civic Center Parking Fund | | | \$415,000 | (\$415,000) | \$0 | | | \$0 |
| In 2002-2003, a transfer of \$415,000 from the Civic Center Parking Fund to the Civic Center Construction Fund was processed to align the actual land acquisition costs between funds. However, because the correct distribution of costs and the associated bond proceeds had already been factored in the 2003-2004 Adopted Budget, the transfer turned out to not be necessary. A technical adjustment is recommended in this report to correct this error by reversing the transfer that occurred in 2002-2003. | | | | | | | | |
| Total for Fund 425 | | | (\$1,499,000) | \$1,499,000 | \$0 | \$0 | | \$0 |
| BUILDING & STRUCT CONST TAX (429) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Berryessa Rd: Route 101 to Coyote Creek | | | \$460,000 | | \$460,000 | | | \$460,000 |
| Transfers funds from the Berryessa Road: Coyote Creek to Route 680 appropriation to the Berryessa Road: Route 101 to Coyote Creek appropriation based on Council-approved changes to the phasing of Berryessa Road improvements. | | | | | | | | |
| Berryessa Road: Coyote Creek to Route 680 | | | (\$460,000) | | (\$460,000) | | | (\$460,000) |
| Transfers funds from the Berryessa Road: Coyote Creek to Route 680 appropriation to the Berryessa Road: Route 101 to Coyote Creek appropriation based on Council-approved changes to the phasing of Berryessa Road improvements. | | | | | | | | |



**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 | |
| BUILDING & STRUCT CONST TAX (429) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| ITS: Airport Area | | | \$35,000 | (\$35,000) | \$0 | | | \$0 |
| Provides a small amount of additional funding for expenses incurred by design modifications to ensure capabilities to share video with City emergency operations in the Airport Area. | | | | | | | | |
| ITS: San Jose Signal Retiming | | | \$230,000 | (\$174,000) | \$56,000 | \$56,000 | | \$0 |
| Provides signal retiming enhancements along commute corridors in San Jose. Improvements will be funded primarily by a federal grant (\$283,000 over the life of the project), with a small local match required (\$71,000 over the life of the project). | | | | | | | | |
| ITS: Stevens Creek-West | | | \$65,000 | (\$65,000) | \$0 | | | \$0 |
| Substitutes local funding for lost state funds that had been used as the local match for the federal grant supporting this project. The local funds will support installation of wireless and hardwire equipment for 22 traffic signals located along the Stevens Creek-West corridor. | | | | | | | | |
| Total for Fund 429 | | | \$330,000 | (\$274,000) | \$56,000 | \$56,000 | | \$0 |
| CIVIC CTR PRKNG FD (433) | | | | | | | | |
| Civic Center Capital Program | | | | | | | | |
| Reduce Reserve for Capital Facility Improvements | | | (\$19,000) | \$19,000 | \$0 | | | \$0 |
| Reduces the Reserve for Capital Facility Improvements based on the actual 2002-2003 performance. This Reserve was established using interest earnings that are not needed to fund the Civic Center project costs of \$343 million. Because the loan repayment to the Sanitary Sewer Connection Fee Fund was slightly higher than anticipated, this Reserve needs to be reduced to reflect the actual additional funds above the project costs that are currently available. | | | | | | | | |

**Special Funds
Appropriation Adjustment Actions**

| Department/Proposal | USE | | | Ending Fund Balance | Total Use | SOURCE | NET COST |
|---|-------------------|-------------------------|------------|---------------------|-----------|-----------|----------|
| | Personal Services | Non-Personal/ Equipment | Other | | | Revenue | |
| CIVIC CTR PRKNG FD (433) | | | | | | | |
| Civic Center Capital Program | | | | | | | |
| Transfer from Civic Center Construction Fund | | | | \$415,000 | \$415,000 | \$415,000 | \$0 |
| <p>In 2002-2003, a transfer of \$415,000 from the Civic Center Parking Fund to the Civic Center Construction Fund was processed to align the actual land acquisition costs between these funds. However, because the correct distribution of costs and the associated bond proceeds had already been factored in to the 2003-2004 Adopted Budget, a technical adjustment is necessary to reverse the transfer that occurred in 2002-2003.</p> | | | | | | | |
| Total for Fund 433 | | | (\$19,000) | \$434,000 | \$415,000 | \$415,000 | \$0 |
| DEVELOPMENT ENHANCEMENT (439) | | | | | | | |
| ECON DEVELOP | | | | | | | |
| Technical Adjustment: Transfer to General Fund | | | \$31,422 | (\$31,422) | \$0 | | \$0 |
| <p>Provides funding for the payment to the General Fund for overhead reimbursement. This adjustment corrects an error in the Adopted Budget.</p> | | | | | | | |
| Total for Fund 439 | | | \$31,422 | (\$31,422) | \$0 | \$0 | \$0 |
| COMM DEV BK GRANT (441) | | | | | | | |
| PRNS | | | | | | | |
| Grants Technology Improvements | | | \$235,000 | (\$235,000) | \$0 | | \$0 |
| <p>As recommended by the Community Development Block Grant Steering Committee, provides funding to support grants technology improvements, including increased customer access through the Internet (e.g., applications, quarterly reimbursement forms, performance reporting forms, supporting documentation, etc.) and the establishment of a grants database to track all aspects of the contractual services process.</p> | | | | | | | |
| Total for Fund 441 | | | \$235,000 | (\$235,000) | \$0 | \$0 | \$0 |
| HOME INVEST PARTNR PGM (445) | | | | | | | |

**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 | |
| HOME INVEST PARTNR PGM (445) | | | | | | | | |
| HOUSING | | | | | | | | |
| Transfer Remaining SNI funding to Fund 448 | | | \$955,000 | (\$955,000) | \$0 | | | \$0 |
| Transfers the remaining allocation for Strong Neighborhoods Initiative funding to Multi-Source Housing Fund (Fund 448). For 2003-2004 a new fund was established that includes this expenditure. | | | | | | | | |
| Total for Fund 445 | | | \$955,000 | (\$955,000) | \$0 | \$0 | | \$0 |
| STORM DRAIN SVCE USE CHRG (446) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| | | | | | \$0 | | | \$0 |
| ENVIRON SVCS | | | | | | | | |
| Personal Services | \$301,846 | | | (\$301,846) | \$0 | | | \$0 |
| Increases the allocation to the Department of Transportation to fund storm drain maintenance activities. This action corrects an inadvertent error and restores the correct funding. It does not represent an augmentation of additional funding beyond what had been assumed in discussions of 2003-2004 service levels. | | | | | | | | |
| Total for Fund 446 | \$301,846 | | | (\$301,846) | \$0 | \$0 | | \$0 |
| MULTI SOURCE HOUSING FUND (448) | | | | | | | | |
| HOUSING | | | | | | | | |
| Ending Fund Balance Adjustment | | | | \$955,000 | \$955,000 | \$955,000 | | \$0 |
| Increases the Ending Fund Balance to recognize the transfer from Home Investment Partnership Fund (Fund 445) to rebudget savings from the Strong Neighborhoods Initiative program. | | | | | | | | |
| Total for Fund 448 | | | | \$955,000 | \$955,000 | \$955,000 | | \$0 |
| TRANSIENT OCCUPANCY TAX (461) | | | | | | | | |

**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 | |
| TRANSIENT OCCUPANCY TAX (461) | | | | | | | | |
| CAE | | | | | | | | |
| Cultural Organizations | | | (\$113,945) | \$113,945 | \$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 lower actual tax collections in 2002-2003. 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 2002-2003 tax receipts. | | | | | | | | |
| San Jose Convention Visitors Bureau | | | (\$150,000) | \$150,000 | \$0 | | | \$0 |
| Reduces funding to the San Jose Convention Visitors Bureau (CVB) based on the lower Transient Occupancy Tax collections received in 2002-2003. Per City Ordinance, the CVB receives 25% of the TOT tax receipts. This adjustment is necessary to adjust CVB's share of 2002-2003 tax receipts. | | | | | | | | |
| Transfer to the Convention & Cultural Affairs Fund | | | (\$300,000) | \$300,000 | \$0 | | | \$0 |
| Reduces the Transfer to the Convention & Cultural Affairs Fund (CCA) due to lower than anticipated Transient Occupancy Tax collected in 2002-2003. Per City Ordinance, the CCA fund receives 50% of the TOT tax receipts. This adjustment is necessary to adjust the CCA's share of 2002-2003 tax receipts. | | | | | | | | |
| Total for Fund 461 | | | (\$563,945) | \$563,945 | \$0 | \$0 | | \$0 |
| LAKE CUNNINGHAM FUND (462) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Perimeter Landscaping | | | \$24,000 | (\$24,000) | \$0 | | | \$0 |
| Provides funding to complete the current phase of the Perimeter Landscaping project prior to putting it on hold until 2005-2006. | | | | | | | | |
| Transfer to the General Fund: Operating Expenses | | | (\$80,000) | \$80,000 | \$0 | | | \$0 |
| Reduces the transfer to the General Fund for operating expenses. This action was mistakenly established in the 2003-2004 Adopted Capital Budget. Funding will be returned to the Ending Fund Balance. | | | | | | | | |
| Total for Fund 462 | | | (\$56,000) | \$56,000 | \$0 | \$0 | | \$0 |

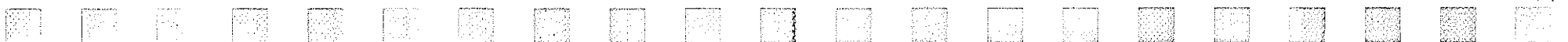


**Special Funds
Appropriation Adjustment Actions**

| Department/Proposal | USE | | | Ending Fund Balance | Total Use | SOURCE | | NET COST |
|--|-------------------|-------------------------|---------------|---------------------|---------------|---------------|------------------|----------|
| | Personal Services | Non-Personal/ Equipment | Other | | | Revenue | Beg Fund Balance | |
| CONSTRUCTION EXCISE TAX FD (465) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Cisco: Bailey 101 Interchange | | | \$42,000 | | \$42,000 | \$42,000 | | \$0 |
| Recognizes developer deposits that have been received by the City for work related to the Bailey/Route 101 interchange project, and appropriates funding in the same amount to fund requested services. | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$61,000 | (\$61,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Ortho Photo Project | | | \$38,000 | (\$38,000) | \$0 | | | \$0 |
| Restores funding from a liquidated contract encumbrance that is needed to complete work as defined in the project agreement. | | | | | | | | |
| Reserve: TCRP-Street Maintenance | | | (\$2,000,000) | | (\$2,000,000) | (\$2,000,000) | | \$0 |
| Removes budget for TCRP-Street Maintenance and associated revenues since the State has decided not to fund this program as a result of its budgetary difficulties. | | | | | | | | |
| Street Maintenance | | | (\$122,000) | \$122,000 | \$0 | | | \$0 |
| Shifts \$122,000 from this appropriation to the Street Maintenance - Measure A/B appropriation to extend the funding in the grant reimbursable project. Investments in this amount were made from the grant reimbursed appropriation, however they were deemed non-reimbursable. This augmentation provides funding for investments that will be reimbursed. | | | | | | | | |

**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 | |
| CONSTRUCTION EXCISE TAX FD (465) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Street Maintenance - Measure A/B | | | \$178,000 | (\$119,000) | \$59,000 | \$59,000 | | \$0 |
| Provides an additional \$178,000 in funding (including \$122,000 from the City-funded Street Maintenance appropriation) and an additional \$59,000 in revenues as part of the final project accounting in this multi-year, multi-million dollar project. This action ensures that the City recognizes the full revenues available for street maintenance from this funding source, and ensures that the City appropriates project funds in the identical amount. | | | | | | | | |
| Street Maintenance: TCRP | | | \$733,000 | (\$733,000) | \$0 | | | \$0 |
| Adjusts current year appropriation based on actual grant revenues received in 2002-2003. | | | | | | | | |
| Total for Fund 465 | | | (\$1,070,000) | (\$829,000) | (\$1,899,000) | (\$1,899,000) | | \$0 |
| STORM SEWER CAPITAL FD (469) | | | | | | | | |
| Storm Sewer Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$5,000 | (\$5,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 469 | | | \$5,000 | (\$5,000) | \$0 | \$0 | | \$0 |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |



**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 | |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$20,000 | (\$20,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Reserve: Contingency Reserve | | | \$1,424,936 | (\$1,424,936) | \$0 | | | \$0 |
| Increases the Contingency Reserve by the excess interest earnings and project savings that were not factored into the 2003-2004 Adopted Budget. These funds are set aside to address any project shortfalls that may arise in 2003-2004. | | | | | | | | |
| Total for Fund 471 | | | \$1,444,936 | (\$1,444,936) | \$0 | \$0 | | \$0 |
| BRANCH LIB BOND PRJ FD (472) | | | | | | | | |
| Library Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$11,000 | (\$11,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Land Acquisition | | | \$634,659 | (\$634,659) | \$0 | | | \$0 |
| Increases the Land Acquisition appropriation by the excess interest and project savings that were not factored into the 2003-2004 Adopted Budget. This funding will be available to address any land acquisition problems that might occur for remaining branches. | | | | | | | | |

**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 | |
| BRANCH LIB BOND PRJ FD (472) | | | | | | | | |
| Total for Fund 472 | | | | \$645,659 | (\$645,659) | \$0 | \$0 | \$0 |
| Neighborhood Security Bond Fund (475) | | | | | | | | |
| Public Safety Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | | \$12,000 | (\$12,000) | \$0 | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Reserve: Contingency Reserve | | | | \$549,743 | (\$549,743) | \$0 | | \$0 |
| Increases the Contingency Reserve by the excess interest earnings and project savings that were not factored into the 2003-2004 Adopted Budget. These funds are set aside to address any project shortfalls that may arise in 2003-2004. | | | | | | | | |
| Total for Fund 475 | | | | \$561,743 | (\$561,743) | \$0 | \$0 | \$0 |
| WATER UTILITY CAPITAL FD (500) | | | | | | | | |
| Water Utility Sys Capital Pgm | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | | \$4,000 | (\$4,000) | \$0 | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 500 | | | | \$4,000 | (\$4,000) | \$0 | \$0 | \$0 |
| MUNI WATER MAJOR FAC FEE (502) | | | | | | | | |

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**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 | |
| MUNI WATER MAJOR FAC FEE (502) | | | | | | | | |
| Water Utility Sys Capital Pgm | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 502 | | | \$3,000 | (\$3,000) | \$0 | \$0 | | \$0 |
| SJ-SC TRMNT PLANT CAP FD (512) | | | | | | | | |
| Water Pollution Capital Pgm | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Total for Fund 512 | | | \$10,000 | (\$10,000) | \$0 | \$0 | | \$0 |
| SJ-SC TRMNT PLANT OPER FD (513) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Green Business Program | | (\$15,000) | | \$15,000 | \$0 | | | \$0 |
| Shifts funding in the amount of \$15,000 for the Green Business Program from the Treatment Plant Operating Fund to the Sewer Service and Use Charge Fund to allocate funding to the correct fund. | | | | | | | | |

**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 | |
| SJ-SC TRMNT PLANT OPER FD (513) | | | | | | | | |
| Total for Fund 513 | | | (\$15,000) | \$15,000 | \$0 | \$0 | | \$0 |
| CUSTOMER FACIL & TRANSP (519) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Contribution from Rental Car Agencies | | | | | \$0 | \$116,870 | (\$116,870) | \$0 |
| Recognizes additional revenues from rental car companies to offset the lower than anticipated beginning fund balance. | | | | | | | | |
| Total for Fund 519 | | | | | \$0 | \$116,870 | (\$116,870) | \$0 |
| AIRPORT CAPITAL IMPVT FD (520) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Aircraft Rescue and Fire Fighting Grant | | | \$104,000 | | \$104,000 | \$104,000 | | \$0 |
| Increases grant income by \$104,000 from the Airport Rescue and Fire Fighting (AARF) grant to support the purchase of a fire truck, bringing the total allocation in 2003-2004 to the maximum allowable of \$560,000. This action also makes a corresponding increase to the Airport's Fire Truck project. | | | | | | | | |
| Airport Boulevard/Airport Parkway Grade Separation | | | \$3,010,000 | (\$3,010,000) | \$0 | | | \$0 |
| Establishes funding for the Airport Blvd./Airport Pkwy. Grade Separation project. This project is one of the traffic improvements that must be completed within three years of the construction of a new terminal or the addition of aircraft gates. This project had previously been programmed in the Airport Revenue Bond Improvement Fund. A corresponding action in that fund removes the project. | | | | | | | | |
| Elements of Master Plan Studies | | | \$162,000 | (\$162,000) | \$0 | | | \$0 |
| Establishes funding for elements of master plan studies, specifically for non-security related work. This funding had previously been programmed in the Airport Revenue Bond Improvement Fund (Fund 526). A corresponding action in that fund removes the 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 | |
| AIRPORT CAPITAL IMPVT FD (520) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Interest Income | | | | (\$149,000) | (\$149,000) | | (\$149,000) | \$0 |
| Decreases interest income to reflect the lower cash balance as a result of establishing various transportation improvement and non-security related projects in the Airport Capital Improvement Fund, which had previously been programmed in the Airport Bond Improvement Fund (Fund 526). | | | | | | | | |
| Noise Attenuation Treatment - Category IB | | | \$6,000,000 | (\$6,000,000) | \$0 | | | \$0 |
| Increases funding for noise attenuation treatment, based on grants that have been received since the Adopted 2003-2004 Budget was prepared. It is anticipated that grant revenues will be received later in 2003-2004, at which time staff will recommend the appropriate revenue estimate adjustments. | | | | | | | | |
| North Concourse Building | | | \$21,989,000 | (\$21,989,000) | \$0 | | | \$0 |
| Establishes funding for the non-security related components of the North Concourse Building project. This project had been previously programmed entirely in the Airport Revenue Bond Improvement Fund (Fund 526). A corresponding action in that fund removes the non-security related components of the project. | | | | | | | | |
| Total for Fund 520 | | | \$31,265,000 | (\$31,310,000) | (\$45,000) | | (\$45,000) | \$0 |
| AIRPORT REVENUE FUND (521) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Surplus of FIS Facility Fees | | | | \$165,854 | \$165,854 | | \$165,854 | \$0 |
| Establishes a transfer from the Airport Renewal and Replacement Fund (Fund 527) to recognize surplus revenue associated with the operation and maintenance of the Federal Inspection Services (FIS) facility utilized prior to the construction of Airport's new FIS facility. A corresponding increase to the unrestricted ending fund balance is also included. | | | | | | | | |
| TSA Security Standard Revision | | | (\$3,752,401) | | (\$3,752,401) | | (\$3,752,401) | \$0 |
| Decreases earned revenue and the associated transfer to the Airport Maintenance and Operations Fund (Fund 523) due to a revision in Transportation Security Administration (TSA) security standards at terminal checkpoints. | | | | | | | | |

**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 | |
| AIRPORT REVENUE FUND (521) | | | | | | | | |
| Total for Fund 521 | | | | (\$3,752,401) | \$165,854 | (\$3,586,547) | (\$3,586,547) | \$0 |
| AIRPORT MAINT & OPER FD (523) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Increased Terminal Customer Support | | | \$880,499 | | \$880,499 | | | \$880,499 |
| Provides additional funding to add contractual customer service staff to manage congestion caused by increased security demands (\$625,209), and for a new program introduced in August 2003 that provides electric vehicles and drivers to transport passengers between Terminal A baggage claim and the Airport Ground Transportation Center (\$255,290). These investments are offset by a decrease to the operating contingency. | | | | | | | | |
| Operating Contingency - Increased Terminal Support | | | | (\$880,499) | | (\$880,499) | | (\$880,499) |
| Decreases the Operating Contingency to offset funding increases for the Increased Terminal Support projects, including increasing customer service staffing (\$625,209) and ground transportation (\$255,290). | | | | | | | | |
| Operating Contingency - Wrker's Comp Judgmt./Losses | | | | (\$431,385) | | (\$431,385) | | (\$431,385) |
| Decreases the Operating Contingency to offset funding increases for Worker's Compensation Judgments and Losses. | | | | | | | | |
| TSA Security Standard Revision | | | | (\$3,752,401) | | (\$3,752,401) | (\$3,752,401) | \$0 |
| Decreases the transfer from the Airport Revenue Fund (Fund 521), offset by a corresponding decrease to the Security Reserve in the Airport Maintenance and Operations Fund (Fund 523). These changes reflect a revision to security standards at terminal checkpoints set forth by the Transportation Security Administration (TSA). | | | | | | | | |
| Worker's Compensation Judgements & Losses | | | \$431,385 | | \$431,385 | | | \$431,385 |
| Provides additional funding in response to the May 2003 actuarial study that established a higher estimate for worker's compensation losses during 2003-2004. | | | | | | | | |
| Total for Fund 523 | | | | \$1,311,884 | (\$5,064,285) | (\$3,752,401) | (\$3,752,401) | \$0 |
| AIRPORT FISCAL AGENT FD P&I (525) | | | | | | | | |

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**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 | |
| AIRPORT FISCAL AGENT FD P&I (525) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Decrease in Bond Issuance & Related Transfer | | | (\$24,651,000) | | (\$24,651,000) | (\$24,651,000) | | \$0 |
| Decreases revenue from bonds and decreases the related transfer to the Revenue Bond Improvement Fund (Fund 526) as part of a set of actions that move non-security related projects from the Revenue Bond Improvement Fund to the Airport Capital Improvement Fund (Fund 520). The funding for three projects - a portion of the North Concourse Building (\$21,989,000), Elements of the Master Plan Studies (\$162,000), and Airport Blvd./Airport Pkwy. Grade Separation (\$3,010,000) - will be moved. These reduced transfers are partially offset by increased transfers of \$510,000 to fund increased interest payment obligations in the Airport Revenue Bond Improvement Fund (Fund 526) associated with newly authorized commercial paper drawdowns. | | | | | | | | |
| Total for Fund 525 | | | (\$24,651,000) | | (\$24,651,000) | (\$24,651,000) | | \$0 |
| AIRPORT REV BOND IMP FD (526) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Airport Boulevard/Airport Parkway Grade Separation | | | (\$3,010,000) | \$3,010,000 | \$0 | | | \$0 |
| Decreases the Airport Boulevard/Airport Parkway Grade Separation project with a corresponding increase to ending fund balance. This project will instead be programmed in the Capital Improvement Fund (Fund 520). The project is one of the traffic improvements that must be completed within three years of the construction of a new terminal or the addition of aircraft gates. | | | | | | | | |
| Commercial Paper | | | \$510,000 | (\$510,000) | \$0 | | | \$0 |
| Increases interest payments by \$510,000 related to newly authorized commercial paper and associated drawdowns. This additional expense will be offset by a transfer of \$510,000 from the Fiscal Agent Fund (Fund 525), as described in the adjustment to the transfers into the Airport Revenue Bond Improvement Fund (Fund 526). | | | | | | | | |
| Elements of Master Plan Studies | | | (\$162,000) | \$162,000 | \$0 | | | \$0 |
| Decreases funding for non-security related components of the Elements of the Master Plan Studies project that will instead be funded in the Capital Improvement Fund (Fund 520). | | | | | | | | |

**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 | |
| AIRPORT REV BOND IMP FD (526) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| North Concourse Building | | | (\$21,989,000) | \$21,989,000 | \$0 | | | \$0 |
| Decreases funding for non-security related components of the North Concourse Building project that will instead be funded in the Capital Improvement Fund (Fund 520). | | | | | | | | |
| Transfer from Airport Fiscal Agent Fund | | | | (\$24,651,000) | (\$24,651,000) | (\$24,651,000) | | \$0 |
| Reflects a reduction in the transfer from the Fiscal Agent Fund (Fund 525) based on reductions in the amount of bonds that will be issued (non-security portions of three projects have now had their funding reprogrammed in a more appropriate funding source, the Airport Capital Improvement Fund [Fund 520]). The three projects impacted include the North Concourse Building (\$21,989,000), the Elements of Master Plan Studies (\$162,000), and the Airport Boulevard/Airport Parkway Grade Separation projects (\$3,010,000). These reduced transfers are partially offset by increased transfers of \$510,000, which will provide necessary funding in the Airport Revenue Bond Improvement Fund (Fund 526) to cover the increases in interest payments associated with newly authorized commercial paper. A related action increases the budget for these interest payments. | | | | | | | | |
| Total for Fund 526 | | | (\$24,651,000) | (\$24,651,000) | (\$24,651,000) | | | \$0 |
| AIRPORT RENEW & REPL FD (527) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Aircraft Rescue and Firefighting | | | \$25,000 | (\$25,000) | \$0 | | | \$0 |
| Increases the Equipment, Operating project for the matching cost associated with the purchase of the fire truck under the Aircraft Rescue and Fire Fighting (ARFF) grant. The grant-funded portion of the cost of the fire truck is budgeted in the Capital Improvement fund (Fund 520). | | | | | | | | |
| Building Modifications | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Increases funding for carpentry work and other minor repairs at the various buildings owned by the Airport. This action enables a more timely response to urgent and minor construction service requests. | | | | | | | | |



**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 | |
| AIRPORT RENEW & REPL FD (527) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Food and Beverage Service Contract | | | \$125,000 | (\$125,000) | \$0 | | | \$0 |
| Provides funds to reimburse a tenant for a tenant-improvement that was impacted by the relocation of Gate A1-C and the Federal Inspection Services (FIS) facility. The tenant-improvement was a cocktail bar, which will be displaced by the new sterile corridor that must be created. | | | | | | | | |
| IT Costs- CIP Database Enhancement Project | | | \$26,000 | (\$26,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Pavement Maintenance | | | \$556,000 | (\$556,000) | \$0 | | | \$0 |
| Provides additional funding for pavement reconstruction projects to meet airfield and roadway safety requirements. Funds will support asphalt and concrete pavement reconstruction projects. | | | | | | | | |
| Public Art | | | \$15,000 | (\$15,000) | \$0 | | | \$0 |
| Provides funding for the Department of Conventions, Arts and Entertainment to finish the Master Plan for Public Art for the Airport. | | | | | | | | |
| Sign Production Vendor | | | \$60,000 | (\$60,000) | \$0 | | | \$0 |
| Increases funding to hire a vendor to complete all phases of the sign production process, reducing the sign projects backlog. | | | | | | | | |
| Surplus of FIS Facility Fees | | | \$165,854 | (\$165,854) | \$0 | | | \$0 |
| Transfers the small amount of excess revenue that remains from the operations of the old Federal Inspection Services trailer over more than a decade to the Airport Revenue Fund (Fund 521). Airport bond resolution requires that all surplus funds be transferred to the Airport Revenue Fund. | | | | | | | | |

**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 | |
| AIRPORT RENEW & REPL FD (527) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Terminal Modifications A and C | | | \$72,000 | (\$72,000) | \$0 | | | \$0 |
| Increases funding to rebuild and refurbish the Southwest Airlines make-up carousel and carousels 2, 3 and 4 beneath the Terminal A parking garage. One carousel had failed in June 2003 and this action would prevent the unexpected failure of the other carousels. | | | | | | | | |
| Total for Fund 527 | | | \$1,094,854 | (\$1,094,854) | \$0 | \$0 | | \$0 |
| AIRPORT PASS FACIL CHG FD (529) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Federal Inspection Service Facility | | | \$142,000 | (\$142,000) | \$0 | | | \$0 |
| Increases funding for the necessary post-construction management and contingency costs to close out this project. | | | | | | | | |
| Noise Attenuation Treatment - Category IB | | | (\$6,000,000) | \$6,000,000 | \$0 | | | \$0 |
| Decreases funding for the noise attenuation project, which instead will be programmed in the Airport Capital Improvement Fund (Fund 520). The Airport Capital Improvement Fund is a more appropriate location, since this work is now expected to be grant reimbursed. | | | | | | | | |
| Total for Fund 529 | | | (\$5,858,000) | \$5,858,000 | \$0 | \$0 | | \$0 |
| GENERAL PURPOSE PARKING FD (533) | | | | | | | | |
| Parking Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |



**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 | |
| GENERAL PURPOSE PARKING FD (533) | | | | | | | | |
| Total for Fund 533 | | | \$4,000 | (\$4,000) | \$0 | \$0 | | \$0 |
| CONV/CULTL FACIL FD (536) | | | | | | | | |
| CAE | | | | | | | | |
| Clean-Up: Reflects Reduced Transfer from TOT | | | | (\$300,000) | (\$300,000) | (\$300,000) | | \$0 |
| Reduces the transfer from the Transient Occupancy Tax Fund due to the lower than anticipated Transient Occupancy Tax collections in 2002-2003. | | | | | | | | |
| Total for Fund 536 | | | | (\$300,000) | (\$300,000) | (\$300,000) | | \$0 |
| SANITARY SEWER CONN FEE FD (540) | | | | | | | | |
| Sanitary Sewer Capital Program | | | | | | | | |
| IT Costs - CIP Database Enhancement Project | | | \$11,000 | (\$11,000) | \$0 | | | \$0 |
| Provides funding for the CIP Database Enhancement Project, which includes the purchase of a new server, training, client support, and availability to all departments involved in the delivery of capital projects. This funding will allow for the development of the project on a web-based platform. In addition, the project will enhance the project management tools available in the database in order to streamline estimating, budgeting, cost tracking, schedule tracking, bid/award, resource modeling, public communication and other project management features. | | | | | | | | |
| Monterey-Riverside Sewer | | | \$420,000 | (\$420,000) | \$0 | | | \$0 |
| Provides funding of \$420,000 to the Monterey-Riverside Sewer project in order to rebid this project. Prior year encumbrances will be liquidated. The current construction contract will be terminated with the Attorney's Office concurrence. | | | | | | | | |
| Total for Fund 540 | | | \$431,000 | (\$431,000) | \$0 | \$0 | | \$0 |
| SEWER SVC & USE CHARGE FD (541) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |

**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 | |
| SEWER SVC & USE CHARGE FD (541) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Green Building Program | | \$15,000 | | (\$15,000) | \$0 | | | \$0 |
| Shifts funding in the amount of \$15,000 for the Green Building Program from the Treatment Plant Operating Fund to the Sewer Service and Use Charge Fund to allocate funding to the correct fund. | | | | | | | | |
| Total for Fund 541 | | \$15,000 | | (\$15,000) | \$0 | \$0 | | \$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 | |
| CITY MANAGER | | | | | | | | |
| Salary Program | (\$29,120) | | | | (\$29,120) | | | (\$29,120) |
| CITY MANAGER | (\$29,120) | | | | (\$29,120) | \$0 | | (\$29,120) |
| EMER SVCS | | | | | | | | |
| Salary Program | (\$7,281) | | | | (\$7,281) | | | (\$7,281) |
| EMER SVCS | (\$7,281) | | | | (\$7,281) | \$0 | | (\$7,281) |
| MAYOR & COUNCIL | | | | | | | | |
| Rebudget: Council District 1 | | | (\$1,415) | | (\$1,415) | | | (\$1,415) |
| Rebudget: Council District 9 | | | (\$1,076) | | (\$1,076) | | | (\$1,076) |
| Rebudget: Council General | | | (\$63,807) | | (\$63,807) | | | (\$63,807) |
| MAYOR & COUNCIL | | | (\$66,298) | | (\$66,298) | \$0 | | (\$66,298) |
| INFORMATION TECHNOLOGY | | | | | | | | |
| Salary Program | (\$31,090) | | | | (\$31,090) | | | (\$31,090) |
| INFORMATION TECHNOLOGY | (\$31,090) | | | | (\$31,090) | \$0 | | (\$31,090) |
| EMPLOYEE SERVICES | | | | | | | | |
| Salary Program | (\$31,787) | | | | (\$31,787) | | | (\$31,787) |
| EMPLOYEE SERVICES | (\$31,787) | | | | (\$31,787) | \$0 | | (\$31,787) |
| FINANCE | | | | | | | | |
| Salary Program | (\$43,232) | | | | (\$43,232) | | | (\$43,232) |
| FINANCE | (\$43,232) | | | | (\$43,232) | \$0 | | (\$43,232) |
| POLICE | | | | | | | | |
| Rebudget/Tech. Adj.: Child Interview Center | \$56,336 | (\$54,918) | | | \$1,418 | | | \$1,418 |
| Rebudget: Miscellaneous Grants | \$23,023 | | | | \$23,023 | \$23,023 | | \$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 | |
| POLICE | | | | | | | | |
| Rebudget: Vehicle Replacement | | \$600,000 | | | \$600,000 | | | \$600,000 |
| Rebudget: Domestic Violence | | \$16,900 | | | \$16,900 | \$12,675 | | \$4,225 |
| Salary Program | (\$37,578) | | | | (\$37,578) | | | (\$37,578) |
| Salary Program - POA | \$6,296,504 | | | | \$6,296,504 | | | \$6,296,504 |
| POLICE | \$6,338,285 | \$561,982 | | | \$6,900,267 | \$35,698 | | \$6,864,569 |
| TRANSPORTATION | | | | | | | | |
| Salary Program | (\$110,230) | | | | (\$110,230) | | | (\$110,230) |
| TRANSPORTATION | (\$110,230) | | | | (\$110,230) | \$0 | | (\$110,230) |
| FIRE | | | | | | | | |
| Salary Program | (\$94,035) | | | | (\$94,035) | | | (\$94,035) |
| Salary Program - LAFF | \$3,475,078 | | | | \$3,475,078 | | | \$3,475,078 |
| FIRE | \$3,381,043 | | | | \$3,381,043 | \$0 | | \$3,381,043 |
| PUBLIC WORKS | | | | | | | | |
| Salary Program | (\$240,660) | | | | (\$240,660) | | | (\$240,660) |
| PUBLIC WORKS | (\$240,660) | | | | (\$240,660) | \$0 | | (\$240,660) |
| PBCE | | | | | | | | |
| Salary Program | (\$89,197) | | | | (\$89,197) | | | (\$89,197) |
| PBCE | (\$89,197) | | | | (\$89,197) | \$0 | | (\$89,197) |
| GENERAL SERVICES | | | | | | | | |
| Salary Program | (\$28,084) | | | | (\$28,084) | | | (\$28,084) |
| GENERAL SERVICES | (\$28,084) | | | | (\$28,084) | \$0 | | (\$28,084) |



**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 | |
| ECON DEVELOP | | | | | | | | |
| Salary Program | (\$14,186) | | | | (\$14,186) | | | (\$14,186) |
| ECON DEVELOP | (\$14,186) | | | | (\$14,186) | \$0 | | (\$14,186) |
| PRNS | | | | | | | | |
| Salary Program | (\$57,821) | | | | (\$57,821) | | | (\$57,821) |
| PRNS | (\$57,821) | | | | (\$57,821) | \$0 | | (\$57,821) |
| LIBRARY | | | | | | | | |
| Rebudget: Library Grants | | | \$31,254 | | \$31,254 | | | \$31,254 |
| Salary Program | (\$23,576) | | | | (\$23,576) | | | (\$23,576) |
| LIBRARY | (\$23,576) | | \$31,254 | | \$7,678 | \$0 | | \$7,678 |
| ENVIRON SVCS | | | | | | | | |
| Rebudget: TEEM-UP Grant | | \$4,155 | | | \$4,155 | | | \$4,155 |
| Salary Program | (\$1,400) | | | | (\$1,400) | | | (\$1,400) |
| ENVIRON SVCS | (\$1,400) | \$4,155 | | | \$2,755 | \$0 | | \$2,755 |
| EARMARKED RESERVES | | | | | | | | |
| Rebudget: Building Fee Program | | | \$400,000 | | \$400,000 | | | \$400,000 |
| Rebudget: Enhanced Parks Maintenance Reserve | | | \$384,000 | | \$384,000 | | | \$384,000 |
| Salary Reserve - PDP/Sr Staff COLA's | | | \$839,277 | | \$839,277 | | | \$839,277 |
| Salary Reserve Program - Police & Fire | | | (\$9,771,582) | | (\$9,771,582) | | | (\$9,771,582) |
| Technical Adjustment: IDTS/Building Fee Program Refund | | | \$52,799 | | \$52,799 | | | \$52,799 |
| Technical Adjustment: IDTS/Planning Fee Program Refund | | | \$33,942 | | \$33,942 | | | \$33,942 |
| Technical Adjustment: IDTS/Public Works Fee Program Refund | | | \$41,486 | | \$41,486 | | | \$41,486 |
| Technical Adjustment: IDTS/Fire Fee Program Refund | | | \$18,858 | | \$18,858 | | | \$18,858 |
| EARMARKED RESERVES | | | (\$8,001,220) | | (\$8,001,220) | \$0 | | (\$8,001,220) |

**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 | |
| CAPITAL | | | | | | | | |
| Rebudget: Almaden Winery Center Conversion | | | \$30,000 | | \$30,000 | | | \$30,000 |
| Rebudget: Animal Shelter Facility | | | (\$37,000) | | (\$37,000) | | | (\$37,000) |
| Rebudget: Berryessa Road MIL | | | (\$18,000) | | (\$18,000) | | | (\$18,000) |
| Rebudget: Boynton Avenue Sidewalk Installation | | | \$198,000 | | \$198,000 | | | \$198,000 |
| Rebudget: Buena Vista Park | | | \$1,000 | | \$1,000 | | | \$1,000 |
| Rebudget: Carrabelle Park Play Area Improvements | | | \$20,000 | | \$20,000 | | | \$20,000 |
| Rebudget: Cedro Street: Cas Drive and Buckeye Drive | | | (\$3,000) | | (\$3,000) | | | (\$3,000) |
| Rebudget: Community Park at Floyd and Locust Streets | | | \$27,000 | | \$27,000 | | | \$27,000 |
| Rebudget: Fire Apparatus Bond Payments | | | \$16,000 | | \$16,000 | | | \$16,000 |
| Rebudget: Fire Apparatus Replacement and Repair | | | \$459,000 | | \$459,000 | | | \$459,000 |
| Rebudget: Fire Stations Air Conditioning | | | \$54,000 | | \$54,000 | | | \$54,000 |
| Rebudget: Former Fire Station #27 Community Center | | | \$67,000 | | \$67,000 | | | \$67,000 |
| Rebudget: Guadalupe River Trail Improvements | | | (\$6,000) | | (\$6,000) | | | (\$6,000) |
| Rebudget: Ice Centre Public Art | | | \$5,000 | | \$5,000 | | | \$5,000 |
| Rebudget: Los Lagos Golf Course | | | (\$1,000) | | (\$1,000) | | | (\$1,000) |
| Rebudget: McKean Road Sports Complex | | | \$50,000 | | \$50,000 | | | \$50,000 |
| Rebudget: Northside Community Center | | | (\$2,000) | | (\$2,000) | | | (\$2,000) |
| Rebudget: PG&E Easement at Wenlock Drive | | | \$31,000 | | \$31,000 | | | \$31,000 |
| Rebudget: Park & Recreation Bonds | | | \$588,000 | | \$588,000 | | | \$588,000 |
| Rebudget: Redmond Ave MIL: East of Meridian | | | (\$1,000) | | (\$1,000) | | | (\$1,000) |
| Rebudget: Reserve Apparatus Tools/Equipment | | | (\$19,000) | | (\$19,000) | | | (\$19,000) |
| Rebudget: Santa Teresa MIL: Snell to Blossom Hill | | | (\$5,000) | | (\$5,000) | | | (\$5,000) |
| Rebudget: Senior Friendly Park Elements | | | (\$5,000) | | (\$5,000) | | | (\$5,000) |
| Rebudget: Senter Road and Wool Creek Drive Traffic Signal | | | \$9,000 | | \$9,000 | | | \$9,000 |
| Rebudget: Seven Trees Neighborhood Improvements | | | (\$6,000) | | (\$6,000) | | | (\$6,000) |



**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 | |
| CAPITAL | | | | | | | | |
| Rebudget: Street Lighting at Cooley Dr. and Shortridge Ave. | | | \$15,000 | | \$15,000 | | | \$15,000 |
| Rebudget: Street Lighting at Schools | | | \$17,000 | | \$17,000 | | | \$17,000 |
| Rebudget: Streetlight Backlog | | | (\$16,000) | | (\$16,000) | | | (\$16,000) |
| Rebudget: Streetlighting - Mayor's message | | | \$64,000 | | \$64,000 | | | \$64,000 |
| Rebudget: Tower's Lane Improvements | | | \$4,000 | | \$4,000 | | | \$4,000 |
| Rebudget: West Valley Branch Replacement | | | \$17,000 | | \$17,000 | | | \$17,000 |
| Rebudget: West Valley Library - LEED Certification | | | \$7,000 | | \$7,000 | | | \$7,000 |
| CAPITAL | | | \$1,560,000 | | \$1,560,000 | \$0 | | \$1,560,000 |
| CITY-WIDE | | | | | | | | |
| Fund Balance Reconciliation | | | | | \$0 | | \$18,635,793 | (\$18,635,793) |
| Reallocation: CA Law Enforce Equip 2003-04 Grant | | | \$97,973 | | \$97,973 | | | \$97,973 |
| Reallocation: CA Law Enforcement Equip 2000-01 Grant | | | (\$97,973) | | (\$97,973) | | | (\$97,973) |
| Rebudget/03-04 adjustment: Rancho del Pueblo Debt Service | | | \$111,156 | | \$111,156 | | | \$111,156 |
| Rebudget/03-04 adjustment: DUI Grant | | | \$98,285 | | \$98,285 | \$98,285 | | \$0 |
| Rebudget/03-04 adjustment: Internet Crimes Against Children | | | \$174,652 | | \$174,652 | \$174,652 | | \$0 |
| Rebudget: Animal Care and Service Program | | | (\$457,113) | | (\$457,113) | | | (\$457,113) |
| Rebudget: Anti-Drug Abuse Grant | | | \$15,244 | | \$15,244 | | | \$15,244 |
| Rebudget: Arena Community Fund | | | \$16,935 | | \$16,935 | | | \$16,935 |
| Rebudget: Automated Information System | | | (\$4,572) | | (\$4,572) | | | (\$4,572) |
| Rebudget: Blueprint for Digital Divide | | | (\$60,000) | | (\$60,000) | | | (\$60,000) |
| Rebudget: CA Law Enforce Equip (CLEEP) 2001-2002 Grant | | | (\$843) | | (\$843) | | | (\$843) |
| Rebudget: City Outreach and Education Efforts | | | (\$3,439) | | (\$3,439) | | | (\$3,439) |
| Rebudget: City Security Measures | | | (\$7,446) | | (\$7,446) | | | (\$7,446) |
| Rebudget: Community Action and Pride Grants | | | \$45,556 | | \$45,556 | | | \$45,556 |
| Rebudget: Community Based Aftercare | | | \$116,180 | | \$116,180 | \$116,180 | | \$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 | |
| CITY-WIDE | | | | | | | | |
| Rebudget: Computer Systems Master Plan | | | (\$120) | | (\$120) | | | (\$120) |
| Rebudget: Domestic Violence Prevention Program | | | (\$153) | | (\$153) | | | (\$153) |
| Rebudget: E-Government Mission | | | \$190,000 | | \$190,000 | | | \$190,000 |
| Rebudget: Energy Usage | | | \$685,397 | | \$685,397 | | | \$685,397 |
| Rebudget: Evergreen Land Use & Trans | | | (\$16,610) | | (\$16,610) | | | (\$16,610) |
| Rebudget: Fischer Middle School Blacktop | | | \$300,000 | | \$300,000 | | | \$300,000 |
| Rebudget: General Liability Claims | | | \$3,966,767 | | \$3,966,767 | | | \$3,966,767 |
| Rebudget: Geographic Info System | | | \$115,275 | | \$115,275 | | | \$115,275 |
| Rebudget: Grant SJ 4 Quality | | | \$23,419 | | \$23,419 | | | \$23,419 |
| Rebudget: Hoover Performing Arts Center | | | (\$2,153) | | (\$2,153) | | | (\$2,153) |
| Rebudget: Investing in Results | | | (\$7,455) | | (\$7,455) | | | (\$7,455) |
| Rebudget: Major Space Renovations | | | \$247,752 | | \$247,752 | | | \$247,752 |
| Rebudget: Management Training | | | \$91,148 | | \$91,148 | | | \$91,148 |
| Rebudget: Metropolitan Medical Task Force | | | \$1,256 | | \$1,256 | \$1,256 | | \$0 |
| Rebudget: Morrill Middle School Portables | | | \$200,000 | | \$200,000 | | | \$200,000 |
| Rebudget: Neigh Revitalization Strategy | | | (\$9,814) | | (\$9,814) | | | (\$9,814) |
| Rebudget: Networking of Remote Sites | | | (\$11,523) | | (\$11,523) | | | (\$11,523) |
| Rebudget: Packard Foundation for Education | | | \$827,106 | | \$827,106 | \$827,106 | | \$0 |
| Rebudget: Payroll/HR Project | | | \$23,315 | | \$23,315 | | | \$23,315 |
| Rebudget: Police Evidence Warehouse | | | \$212,285 | | \$212,285 | | | \$212,285 |
| Rebudget: Roy Park Upgrades | | | (\$3,426) | | (\$3,426) | | | (\$3,426) |
| Rebudget: SJ Future Teachers Program | | | \$190,868 | | \$190,868 | | | \$190,868 |
| Rebudget: San Jose Prepared | | | (\$6,017) | | (\$6,017) | | | (\$6,017) |
| Rebudget: San Jose Recreational Swim Center | | | (\$15,045) | | (\$15,045) | | | (\$15,045) |
| Rebudget: Weed and Seed - Washington | | | \$2,777 | | \$2,777 | | | \$2,777 |

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**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 | |
| CITY-WIDE | | | | | | | | |
| Rebudget: Workers' Compensation Claims Payments | | | \$907,722 | | \$907,722 | | | \$907,722 |
| | | | | | \$0 | | | \$0 |
| CITY-WIDE | | | \$7,957,366 | | \$7,957,366 | \$1,217,479 | \$18,635,793 | (\$11,895,906) |
| Sub Total General Fund Actior | \$9,011,664 | \$566,137 | \$1,481,102 | | \$11,058,903 | \$1,253,177 | \$18,635,793 | (\$8,830,067) |
| Sub Total General Fund Adjustment Actions | (\$224,958) | \$325,064 | \$8,745,961 | \$ | \$8,846,067 | \$16,000 | \$ | \$8,830,067 |
| Total General Fund Actions | \$8,786,706 | \$891,201 | \$10,227,063 | \$ | \$19,904,970 | \$1,269,177 | \$18,635,793 | \$ |

**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 | |
| CASH RESERVE FUND (002) | | | | | | | | |
| FINANCE | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$16) | (\$16) | | (\$16) | \$0 |
| Total for Fund 002 | | | | (\$16) | (\$16) | \$0 | (\$16) | \$0 |
| FIBER OPTICS DEVELOPMENT FD (007) | | | | | | | | |
| Muni Improvements Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation - Reserve for Fiber Optic Installation | | | \$26,615 | | \$26,615 | | \$26,615 | \$0 |
| Total for Fund 007 | | | \$26,615 | | \$26,615 | \$0 | \$26,615 | \$0 |
| E PRUSCH MEM PK IMPR FD (131) | | | | | | | | |
| Parks/Comnty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$1,699) | (\$1,699) | | (\$1,699) | \$0 |
| Rebudget: Irrigation System Renovation | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Total for Fund 131 | | | \$3,000 | (\$4,699) | (\$1,699) | \$0 | (\$1,699) | \$0 |
| MUNICIPAL HEALTH SERV PRG (132) | | | | | | | | |
| PRNS | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$635,245) | (\$635,245) | | (\$635,245) | \$0 |
| Total for Fund 132 | | | | (\$635,245) | (\$635,245) | \$0 | (\$635,245) | \$0 |
| GIFT TRUST FUND (139) | | | | | | | | |



**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 | |
| GIFT TRUST FUND (139) | | | | | | | | |
| CITY CLERK | | | | | | | | |
| Rebudget: Mayor's College Motivation Program | | | (\$170) | \$170 | \$0 | | | \$0 |
| FINANCE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$2,399 | \$2,399 | | \$2,399 | \$0 |
| Rebudget: Employee Recognition | | | (\$370) | \$370 | \$0 | | | \$0 |
| POLICE | | | | | | | | |
| Rebudget: Anti-Theft Car Campaign | | | (\$275) | \$275 | \$0 | | | \$0 |
| Rebudget: Child Safety Seats | | | \$3,880 | (\$3,880) | \$0 | | | \$0 |
| Rebudget: Children's Interview Center | | | (\$4,015) | \$4,015 | \$0 | | | \$0 |
| Rebudget: Major Awards Banquet | | | (\$3,270) | \$3,270 | \$0 | | | \$0 |
| Rebudget: Police Educational Robot | | | (\$120) | \$120 | \$0 | | | \$0 |
| Rebudget: Police Mounted Unit | | | (\$85) | \$85 | \$0 | | | \$0 |
| Rebudget: Police and School Partnership | | | (\$140) | \$140 | \$0 | | | \$0 |
| Rebudget: Robbery Secret Witness | | | (\$155) | \$155 | \$0 | | | \$0 |
| Rebudget: SAVE Program | | | (\$220) | \$220 | \$0 | | | \$0 |
| TRANSPORTATION | | | | | | | | |
| Rebudget: Traffic Calming Public Education | | | \$100 | (\$100) | \$0 | | | \$0 |
| FIRE | | | | | | | | |
| Rebudget: Public Education Program | | | (\$710) | \$710 | \$0 | | | \$0 |
| PUBLIC WORKS | | | | | | | | |
| Rebudget: Kinjo Gardens | | | (\$50) | \$50 | \$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 | |
| GIFT TRUST FUND (139) | | | | | | | | |
| PRNS | | | | | | | | |
| Rebudget: Abate Gift | | | (\$70) | \$70 | \$0 | | | \$0 |
| Rebudget: Alum Rock Park | | | \$600 | (\$600) | \$0 | | | \$0 |
| Rebudget: Alviso Community Center | | | (\$350) | \$350 | \$0 | | | \$0 |
| Rebudget: Animal Adoption | | | \$465 | (\$465) | \$0 | | | \$0 |
| Rebudget: Animal Services Donations | | | \$3,900 | (\$3,900) | \$0 | | | \$0 |
| Rebudget: Castro School Landscaping | | | (\$60) | \$60 | \$0 | | | \$0 |
| Rebudget: Child Care Endowment | | | (\$180) | \$180 | \$0 | | | \$0 |
| Rebudget: Combined Gifts | | | (\$55) | \$55 | \$0 | | | \$0 |
| Rebudget: Community Cultural Council | | | (\$60) | \$60 | \$0 | | | \$0 |
| Rebudget: Computer Equipment | | | (\$90) | \$90 | \$0 | | | \$0 |
| Rebudget: Friends of Paul Moore Park | | | (\$430) | \$430 | \$0 | | | \$0 |
| Rebudget: Gullo Park Turf Irrigation | | | \$155 | (\$155) | \$0 | | | \$0 |
| Rebudget: Happy Hollow Zoo Improvements | | | (\$7,390) | \$7,390 | \$0 | | | \$0 |
| Rebudget: Hershey Youth Track | | | \$8,270 | (\$8,270) | \$0 | | | \$0 |
| Rebudget: Jim Ward Memorial Scholarship | | | \$530 | (\$530) | \$0 | | | \$0 |
| Rebudget: Mayor's Youth Conference | | | (\$140) | \$140 | \$0 | | | \$0 |
| Rebudget: McClaren Circles Design History | | | (\$80) | \$80 | \$0 | | | \$0 |
| Rebudget: Misc Gifts Under \$1,000 | | | \$1,580 | (\$1,580) | \$0 | | | \$0 |
| Rebudget: Mise and Starbird Gift | | | \$500 | (\$500) | \$0 | | | \$0 |
| Rebudget: Nicolas Prusch Swimming | | | \$2,710 | (\$2,710) | \$0 | | | \$0 |
| Rebudget: Old Mill Exhibit | | | \$970 | (\$970) | \$0 | | | \$0 |
| Rebudget: RP & CS General Gifts Over \$1,000 | | | (\$190) | \$190 | \$0 | | | \$0 |
| Rebudget: Richard Guarino Memorial Fund | | | \$130 | (\$130) | \$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 | |
| GIFT TRUST FUND (139) | | | | | | | | |
| PRNS | | | | | | | | |
| Rebudget: Senior Companion | | | \$60 | (\$60) | \$0 | | | \$0 |
| Rebudget: Senior Games - San Jose | | | \$15,360 | (\$15,360) | \$0 | | | \$0 |
| Rebudget: Southside Community Center | | | (\$100) | \$100 | \$0 | | | \$0 |
| Rebudget: Southside Community Center Gazebo | | | (\$60) | \$60 | \$0 | | | \$0 |
| Rebudget: Spay/Neuter Program | | | \$1,960 | (\$1,960) | \$0 | | | \$0 |
| Rebudget: St. James Park Landscaping | | | (\$100) | \$100 | \$0 | | | \$0 |
| Rebudget: Summer Lunch Program | | | \$32,700 | (\$32,700) | \$0 | | | \$0 |
| Rebudget: Willow Glen Founders Day | | | (\$80) | \$80 | \$0 | | | \$0 |
| Rebudget: YIS Chowchilla | | | \$3,790 | (\$3,790) | \$0 | | | \$0 |
| Rebudget: Youth Commission | | | (\$120) | \$120 | \$0 | | | \$0 |
| Rebudget: Zoo Educator Grant | | | \$250 | (\$250) | \$0 | | | \$0 |
| CAE | | | | | | | | |
| Rebudget: Arts and Education Week | | | (\$5,890) | \$5,890 | \$0 | | | \$0 |
| Rebudget: Incubation Office Project | | | \$530 | (\$530) | \$0 | | | \$0 |
| LIBRARY | | | | | | | | |
| Rebudget: Biblioteca Gifts | | | (\$3,260) | \$3,260 | \$0 | | | \$0 |
| Rebudget: Books for Little Hands | | | \$3,700 | (\$3,700) | \$0 | | | \$0 |
| Rebudget: Children's Summer Reading Club | | | (\$1,340) | \$1,340 | \$0 | | | \$0 |
| Rebudget: Garbage Stickers | | | \$1,170 | (\$1,170) | \$0 | | | \$0 |
| Rebudget: Library General Gifts | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Library Literacy | | | \$8,810 | (\$8,810) | \$0 | | | \$0 |
| Rebudget: Partners In Reading | | | (\$4,925) | \$4,925 | \$0 | | | \$0 |
| Rebudget: SJPL Foundation | | | \$360 | (\$360) | \$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 | |
| GIFT TRUST FUND (139) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Rebudget: Art Work | | | (\$80) | \$80 | \$0 | | | \$0 |
| Rebudget: Heliport System Plan Study | | | (\$240) | \$240 | \$0 | | | \$0 |
| Total for Fund 139 | | | \$59,610 | (\$57,211) | \$2,399 | \$0 | \$2,399 | \$0 |
| DENTAL BENEFIT FUND (155) | | | | | | | | |
| EMPLOYEE SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | \$332,906 | \$332,906 | | \$332,906 | \$0 |
| Total for Fund 155 | | | | \$332,906 | \$332,906 | \$0 | \$332,906 | \$0 |
| LIFE INSURANCE TRUST FD (156) | | | | | | | | |
| EMPLOYEE SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | \$4,782 | \$4,782 | | \$4,782 | \$0 |
| Total for Fund 156 | | | | \$4,782 | \$4,782 | \$0 | \$4,782 | \$0 |
| UNEMPLOYMENT INSUR FD (157) | | | | | | | | |
| EMPLOYEE SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | \$11,729 | \$11,729 | | \$11,729 | \$0 |
| Total for Fund 157 | | | | \$11,729 | \$11,729 | \$0 | \$11,729 | \$0 |
| BENEFITS FD (160) | | | | | | | | |



**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 | |
| BENEFITS FD (160) | | | | | | | | |
| EMPLOYEE SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | \$188,857 | \$188,857 | | \$188,857 | \$0 |
| Total for Fund 160 | | | | \$188,857 | \$188,857 | \$0 | \$188,857 | \$0 |
| WORKFORCE INVESTMENT ACT (290) | | | | | | | | |
| ATTORNEY | | | | | | | | |
| Clean-up: Reallocate City Attorney Costs from Administrative Co | | | | \$138,730 | \$138,730 | | | \$138,730 |
| ECON DEVELOP | | | | | | | | |
| Clean-up: Reallocate City Attorney Costs from Administrative Co | | | | (\$138,730) | (\$138,730) | | | (\$138,730) |
| Fund Balance Reconciliation | | | | | \$0 | \$3,768,335 | (\$3,768,335) | \$0 |
| Total for Fund 290 | | | | | \$0 | \$3,768,335 | (\$3,768,335) | \$0 |
| BUSINESS IMPVT DIST FD (351) | | | | | | | | |
| ECON DEVELOP | | | | | | | | |
| Fund Balance Reconciliation | | | | \$12,142 | \$12,142 | | \$12,142 | \$0 |
| Total for Fund 351 | | | | \$12,142 | \$12,142 | \$0 | \$12,142 | \$0 |
| M.D. #1 LOS PASEOS (352) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$13,932) | (\$13,932) | | (\$13,932) | \$0 |
| Total for Fund 352 | | | | (\$13,932) | (\$13,932) | \$0 | (\$13,932) | \$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 | |
| M.D.#2 TRADE ZONE - LUNDY (354) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$14,406 | \$14,406 | | \$14,406 | \$0 |
| Total for Fund 354 | | | | \$14,406 | \$14,406 | \$0 | \$14,406 | \$0 |
| M.D. #21 GATEWAY (356) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$8,634 | \$8,634 | | \$8,634 | \$0 |
| Total for Fund 356 | | | | \$8,634 | \$8,634 | \$0 | \$8,634 | \$0 |
| M.D. #5 ORCH PKWY-PLUMERIA (357) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,805 | \$1,805 | | \$1,805 | \$0 |
| Total for Fund 357 | | | | \$1,805 | \$1,805 | \$0 | \$1,805 | \$0 |
| M.D. #19 RIVER OAKS (359) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$5,289) | (\$5,289) | | (\$5,289) | \$0 |
| Total for Fund 359 | | | | (\$5,289) | (\$5,289) | \$0 | (\$5,289) | \$0 |
| M.D. #8 ZANKER-MONTAGUE (361) | | | | | | | | |



**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 | |
| M.D. #8 ZANKER-MONTAGUE (361) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$33 | \$33 | | \$33 | \$0 |
| Total for Fund 361 | | | | \$33 | \$33 | \$0 | \$33 | \$0 |
| M.D. #9 STA TERESA/GRT OAKS (362) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$889 | \$889 | | \$889 | \$0 |
| Total for Fund 362 | | | | \$889 | \$889 | \$0 | \$889 | \$0 |
| M.D. #10 OAKMD STRM PUMP STN (363) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$118,235 | \$118,235 | | \$118,235 | \$0 |
| Total for Fund 363 | | | | \$118,235 | \$118,235 | \$0 | \$118,235 | \$0 |
| M.D. #11 BROKAW/JUNCT-OAKL (364) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$5,056 | \$5,056 | | \$5,056 | \$0 |
| Total for Fund 364 | | | | \$5,056 | \$5,056 | \$0 | \$5,056 | \$0 |
| M.D. #20 RENAISSANCE-N. 1ST (365) | | | | | | | | |

**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 | |
| M.D. #20 RENAISSANCE-N. 1ST (365) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$13,678 | \$13,678 | | \$13,678 | \$0 |
| Total for Fund 365 | | | | \$13,678 | \$13,678 | \$0 | \$13,678 | \$0 |
| M.D. #13 KARINA CT-O'NEL DR (366) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$5,215 | \$5,215 | | \$5,215 | \$0 |
| Total for Fund 366 | | | | \$5,215 | \$5,215 | \$0 | \$5,215 | \$0 |
| M.D. #22 HELLYER-FONT RD (367) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$5,436) | (\$5,436) | | (\$5,436) | \$0 |
| Total for Fund 367 | | | | (\$5,436) | (\$5,436) | \$0 | (\$5,436) | \$0 |
| M.D. #15 SILVER CREEK (368) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$703,633 | \$703,633 | | \$703,633 | \$0 |
| Total for Fund 368 | | | | \$703,633 | \$703,633 | \$0 | \$703,633 | \$0 |
| CFD #2 AND CFD #3 (369) | | | | | | | | |



**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 | |
| CFD #2 AND CFD #3 (369) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$164,144 | \$164,144 | | \$164,144 | \$0 |
| Total for Fund 369 | | | | \$164,144 | \$164,144 | \$0 | \$164,144 | \$0 |
| COMMTY FACIL DIST #1 (371) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$30,060 | \$30,060 | | \$30,060 | \$0 |
| Total for Fund 371 | | | | \$30,060 | \$30,060 | \$0 | \$30,060 | \$0 |
| MAINTENANCE DISTRICT #18 (372) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$8,741 | \$8,741 | | \$8,741 | \$0 |
| Total for Fund 372 | | | | \$8,741 | \$8,741 | \$0 | \$8,741 | \$0 |
| SUBDIVISION PARK TRUST FD (375) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation - Res: Fututure PDO/PIFO Projects | | | | \$6,265,537 | \$6,265,537 | | \$6,265,537 | \$0 |
| Rebudget: Almaden Winery Center Conversion | | | | (\$2,000) | (\$2,000) | | | (\$2,000) |
| Rebudget: Basking Ridge Tot Lot Development | | | | \$47,000 | \$47,000 | | | \$47,000 |
| Rebudget: Bernal Park Expansion | | | | (\$46,000) | (\$46,000) | | | (\$46,000) |
| Rebudget: Evergreen Community Center Expansion | | | | (\$8,000) | (\$8,000) | | | (\$8,000) |
| Rebudget: Hillstone Park Development | | | | (\$10,000) | (\$10,000) | | | (\$10,000) |

**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 | |
| SUBDIVISION PARK TRUST FD (375) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Houge Park Renovation | | | (\$12,000) | | (\$12,000) | | | (\$12,000) |
| Rebudget: Meadowfair Park Phase II Development | | | \$3,000 | | \$3,000 | | | \$3,000 |
| Rebudget: Montgomery Hill Park Bridge | | | \$1,000 | | \$1,000 | | | \$1,000 |
| Rebudget: Penitencia Park Chain Reach 2 | | | \$3,000 | | \$3,000 | | | \$3,000 |
| Rebudget: Preliminary Studies - Turnkey Parks | | | \$7,000 | | \$7,000 | | | \$7,000 |
| Rebudget: Roy Avenue Park Play Area | | | \$33,000 | | \$33,000 | | | \$33,000 |
| Rebudget: Selma Olinder Park Development | | | (\$15,000) | | (\$15,000) | | | (\$15,000) |
| Rebudget: Sonora Turnkey Park | | | \$2,000 | | \$2,000 | | | \$2,000 |
| Rebudget: Waterford Park Renovation | | | (\$11,000) | | (\$11,000) | | | (\$11,000) |
| Rebudget: Winfield Park Development | | | \$2,000 | | \$2,000 | | | \$2,000 |
| Reserve: Future PDO/PIFO Projects | | | \$6,000 | | \$6,000 | | | \$6,000 |
| Total for Fund 375 | | | \$6,265,537 | | \$6,265,537 | \$0 | \$6,265,537 | \$0 |

CONST/CONV TX FD PKS CD1(377)

| | | | | | | | | |
|--|--|--|------------|-------------|-------------|-----------|-------------|-----|
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$309,920) | (\$309,920) | | (\$309,920) | \$0 |
| Rebudget: Cypress Center Renovation | | | (\$15,000) | \$15,000 | \$0 | | | \$0 |
| Rebudget: Earned Revenue | | | | \$120,000 | \$120,000 | \$120,000 | | \$0 |
| Rebudget: Enhanced Maintenance | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Rebudget: Gleason Avenue Streetscape | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Minor Park Renovation | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Rebudget: Murdock Park Pedestrian Bridge | | | \$3,000 | (\$3,000) | \$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 | |
| CONST/CONV TX FD PKS CD1(377) | | | | | | | | |
| Parks/Comnty Fac Capital Pgm | | | | | | | | |
| Rebudget: Rainbow Park Play Area Renovation | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Rebudget: San Tomas Aquino/Saratoga Creek Trail | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Total for Fund 377 | | | (\$46,000) | (\$143,920) | (\$189,920) | \$120,000 | (\$309,920) | \$0 |
| CONST/CONV TX FD PKS CD2 (378) | | | | | | | | |
| Parks/Comnty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$152,917) | (\$152,917) | | (\$152,917) | \$0 |
| Rebudget: Century Oaks Site Development | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Earned Revenue | | | | \$313,000 | \$313,000 | \$313,000 | | \$0 |
| Rebudget: Enhanced Maintenance | | | (\$2,000) | \$2,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$6,000) | \$6,000 | \$0 | | | \$0 |
| Rebudget: Minor Park Renovation | | | (\$17,000) | \$17,000 | \$0 | | | \$0 |
| Rebudget: Southside Center Phase II Renovation | | | \$16,000 | (\$16,000) | \$0 | | | \$0 |
| Rebudget: Southside Community Center TOT Lot Renovation Reb | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Total for Fund 378 | | | (\$1,000) | \$161,083 | \$160,083 | \$313,000 | (\$152,917) | \$0 |
| CONST/CONV TAX FD PARKS CD3 (380) | | | | | | | | |
| Parks/Comnty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$27,745 | \$27,745 | | \$27,745 | \$0 |
| Rebudget: Earned Revenue | | | | \$250,000 | \$250,000 | \$250,000 | | \$0 |
| Rebudget: Enhanced Maintenance | | | (\$12,000) | \$12,000 | \$0 | | | \$0 |
| Rebudget: Minor Park Renovation | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Rebudget: Parks and Recreation Bond Projects | | | (\$3,000) | \$3,000 | \$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 | |
| CONST/CONV TAX FD PARKS CD3 (380) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Ryland Park Renovation | | | \$32,000 | (\$32,000) | \$0 | | | \$0 |
| Rebudget: Tamien Station Skateboard Park Development | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Rebudget: Watson Skate Park | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Total for Fund 380 | | | \$56,000 | \$221,745 | \$277,745 | \$250,000 | \$27,745 | \$0 |
| CONST/CONV TX FD PKS CD4 (381) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$240,092 | \$240,092 | | \$240,092 | \$0 |
| Rebudget: Alviso Pool Emergency Repair | | | \$90,000 | (\$90,000) | \$0 | | | \$0 |
| Rebudget: Community Garden | | | \$33,000 | (\$33,000) | \$0 | | | \$0 |
| Rebudget: Mabury Park Development | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Rebudget: Penitencia Creek Park Chain | | | \$8,000 | (\$8,000) | \$0 | | | \$0 |
| Rebudget: River Oaks Park Development (Coyote Creek Trail) | | | (\$20,000) | \$20,000 | \$0 | | | \$0 |
| Total for Fund 381 | | | \$112,000 | \$128,092 | \$240,092 | \$0 | \$240,092 | \$0 |
| CONST/CONV TAX FD PARKS CD5 (382) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$223,526 | \$223,526 | | \$223,526 | \$0 |
| Rebudget: Mayfair Community Garden | | | (\$7,000) | \$7,000 | \$0 | | | \$0 |
| Rebudget: Minor Park Renovation | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Rebudget: Parks and Recreation Bond Projects | | | (\$4,000) | \$4,000 | \$0 | | | \$0 |
| Rebudget: Preliminary Studies | | | \$5,000 | (\$5,000) | \$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 | |
| CONST/CONV TAX FD PARKS CD5 (382) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: School Improvement Grants | | | (\$17,000) | \$17,000 | \$0 | | | \$0 |
| Total for Fund 382 | | | (\$37,000) | \$260,526 | \$223,526 | \$0 | \$223,526 | \$0 |
| CONST/CONV TX FD PKS CD6 (384) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$192,630) | (\$192,630) | | (\$192,630) | \$0 |
| Rebudget: Buena Vista Park Development | | | (\$193,000) | \$193,000 | \$0 | | | \$0 |
| Rebudget: Los Gatos Creek Trail/Gregory Street Bridge | | | (\$176,000) | \$176,000 | \$0 | | | \$0 |
| Rebudget: Los Gatos Creek/Lonus Extension | | | (\$8,000) | \$8,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$4,000) | \$4,000 | \$0 | | | \$0 |
| Rebudget: Minor Park Renovation | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Rebudget: O'Connor Park Development | | | \$24,000 | (\$24,000) | \$0 | | | \$0 |
| Rebudget: Tamien Station Skate Park | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Total for Fund 384 | | | (\$321,000) | \$128,370 | (\$192,630) | \$0 | (\$192,630) | \$0 |
| CONST/CONV TX FD PKS CD7 (385) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$781,399) | (\$781,399) | | (\$781,399) | \$0 |
| Rebudget: Earned Revenue | | | | \$1,100,000 | \$1,100,000 | \$1,100,000 | | \$0 |
| Rebudget: Fair Swim Center | | | \$65,000 | (\$65,000) | \$0 | | | \$0 |
| Rebudget: Fair Swim Center FF&E | | | \$242,000 | (\$242,000) | \$0 | | | \$0 |
| Rebudget: Lone Bluff Mini Park Development | | | (\$14,000) | \$14,000 | \$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 | |
| CONST/CONV TX FD PKS CD7 (385) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Minor Park Renovation | | | (\$21,000) | \$21,000 | \$0 | | | \$0 |
| Rebudget: Preliminary Studies | | | (\$7,000) | \$7,000 | \$0 | | | \$0 |
| Rebudget: Stonegate Park Skateboard Facility | | | (\$4,000) | \$4,000 | \$0 | | | \$0 |
| Rebudget: Tamien Station Skateboard Park Development | | | \$100,000 | (\$100,000) | \$0 | | | \$0 |
| Rebudget: Tully Road Sports Fields Development | | | (\$66,000) | \$66,000 | \$0 | | | \$0 |
| Total for Fund 385 | | | \$295,000 | \$23,601 | \$318,601 | \$1,100,000 | (\$781,399) | \$0 |
| CONST/CONV TAX FD PARKS CD8 (386) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$111,367 | \$111,367 | | \$111,367 | \$0 |
| Rebudget: Enhanced Maintenance | | | (\$5,000) | \$5,000 | \$0 | | | \$0 |
| Rebudget: Evergreen Center Expansion | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Rebudget: Fowler Creek MP | | | \$7,000 | (\$7,000) | \$0 | | | \$0 |
| Rebudget: Groesbeck Hill Park Security Lighting | | | (\$13,000) | \$13,000 | \$0 | | | \$0 |
| Rebudget: Groesbeck Hill Park Tennis Court | | | (\$16,000) | \$16,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$5,000) | \$5,000 | \$0 | | | \$0 |
| Rebudget: Montgomery Hill Park Bridge | | | (\$78,000) | \$78,000 | \$0 | | | \$0 |
| Total for Fund 386 | | | (\$106,000) | \$217,367 | \$111,367 | \$0 | \$111,367 | \$0 |
| CONST/CONV TAX FD PARKS CD9 (388) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$1,229,174) | (\$1,229,174) | | (\$1,229,174) | \$0 |
| Rebudget: Camden Teen Center Development | | | \$1,000 | (\$1,000) | \$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 | |
| CONST/CONV TAX FD PARKS CD9 (388) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Doerr Park Youth Lot and Renovation | | | (\$12,000) | \$12,000 | \$0 | | | \$0 |
| Rebudget: Earned Revenue | | | | \$1,505,000 | \$1,505,000 | \$1,505,000 | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Parks and Recreation Bond Projects | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Total for Fund 388 | | | (\$28,000) | \$303,826 | \$275,826 | \$1,505,000 | (\$1,229,174) | \$0 |
| CONST/CONV TX FD PKS CD10 (389) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$336,339 | \$336,339 | | \$336,339 | \$0 |
| Rebudget: Almaden Winery Center Conversion | | | \$12,000 | (\$12,000) | \$0 | | | \$0 |
| Rebudget: Customer Response Projects | | | (\$7,000) | \$7,000 | \$0 | | | \$0 |
| Rebudget: Glenview Park Play Lot Renovation | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Minor Building Renovation | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Rebudget: Parks and Recreation Bond Projects | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Total for Fund 389 | | | \$4,000 | \$332,339 | \$336,339 | \$0 | \$336,339 | \$0 |
| CONST/CONV TAX-CENTRAL FD (390) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$558,899 | \$558,899 | | \$558,899 | \$0 |
| Rebudget: Office Lease and Parking | | | \$82,000 | (\$82,000) | \$0 | | | \$0 |
| Rebudget: Park Equipment/Regional | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Rebudget: Relocation Costs | | | \$166,000 | (\$166,000) | \$0 | | | \$0 |
| Rebudget: Unanticipated Repairs | | | (\$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 | |
| CONST/CONV TAX-CENTRAL FD (390) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Weed Abatement | | | (\$13,000) | \$13,000 | \$0 | | | \$0 |
| Total for Fund 390 | | | \$207,000 | \$351,899 | \$558,899 | \$0 | \$558,899 | \$0 |
| CONST/CONV TAX PARKS (391) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,126,185 | \$1,126,185 | | \$1,126,185 | \$0 |
| Rebudget: Alum Rock Park - Quail Hollow Bridge | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Alum Rock Park Creek Realignment | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Alum Rock Park Flood Damage '98 | | | \$23,000 | (\$23,000) | \$0 | | | \$0 |
| Rebudget: Alum Rock Park Penitencia Creek Trail | | | \$255,000 | (\$255,000) | \$0 | | | \$0 |
| Rebudget: Alum Rock Park Water Line Relocation | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Alum Rock Penitencia Creek Entrance | | | (\$52,000) | \$52,000 | \$0 | | | \$0 |
| Rebudget: Ball Field Renovations | | | (\$8,000) | \$8,000 | \$0 | | | \$0 |
| Rebudget: Calpine - Open Space | | | \$415,000 | (\$415,000) | \$0 | | | \$0 |
| Rebudget: City-wide Facilities Infrastructure - Neighborhood Parks | | | (\$8,000) | \$8,000 | \$0 | | | \$0 |
| Rebudget: City-wide Facilities Infrastructure - Regional Parks | | | (\$15,000) | \$15,000 | \$0 | | | \$0 |
| Rebudget: Grants | | | | \$80,000 | \$80,000 | \$80,000 | | \$0 |
| Rebudget: Guadalupe Creek/Los Alamitos Creek Trail Connection | | | (\$16,000) | \$16,000 | \$0 | | | \$0 |
| Rebudget: Guadalupe River Trail Bridge at Almaden Lake | | | \$25,000 | (\$25,000) | \$0 | | | \$0 |
| Rebudget: Happy Hollow Infrastructure Renovation | | | (\$6,000) | \$6,000 | \$0 | | | \$0 |
| Rebudget: Happy Hollow Zoo - Paul Chaffee State Grant | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Rebudget: Historic Homes Preservation | | | (\$3,000) | \$3,000 | \$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 | |
| CONST/CONV TAX PARKS (391) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Kelley East Parking Lot and Bridge | | | (\$18,000) | \$18,000 | \$0 | | | \$0 |
| Rebudget: Los Gatos Creek Trail/Lonus Extension | | | (\$85,000) | \$85,000 | \$0 | | | \$0 |
| Rebudget: Los Lagos Golf Course Enhancements | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Rebudget: Office of Therapeutics Lease | | | (\$14,000) | \$14,000 | \$0 | | | \$0 |
| Rebudget: Parks and Recreation Bonds | | | (\$24,000) | \$24,000 | \$0 | | | \$0 |
| Rebudget: Plaza de Cesar Chavez Electrical Vaults | | | (\$53,000) | \$53,000 | \$0 | | | \$0 |
| Rebudget: Thompson Creek Trail MP and Environmental Report | | | (\$17,000) | \$17,000 | \$0 | | | \$0 |
| Rebudget: Vietnamese Cultural Heritage Gardens | | | (\$30,000) | \$30,000 | \$0 | | | \$0 |
| Total for Fund 391 | | | \$362,000 | \$844,185 | \$1,206,185 | \$80,000 | \$1,126,185 | \$0 |
| CONST/CONV TAX FIRE (392) | | | | | | | | |
| Fire Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$993,137 | \$993,137 | | \$993,137 | \$0 |
| Rebudget: Communication Hill Project | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: Company Stores Van | | | \$20,000 | (\$20,000) | \$0 | | | \$0 |
| Rebudget: Decontamination Sinks | | | \$9,000 | (\$9,000) | \$0 | | | \$0 |
| Rebudget: Emergency Equipment for Communications Center | | | (\$2,000) | \$2,000 | \$0 | | | \$0 |
| Rebudget: Facilities Improvements | | | (\$19,000) | \$19,000 | \$0 | | | \$0 |
| Rebudget: Fire Station I Closeout | | | (\$2,000) | \$2,000 | \$0 | | | \$0 |
| Rebudget: Fire Station Privacy | | | \$86,000 | (\$86,000) | \$0 | | | \$0 |
| Rebudget: Hose Replacement | | | \$16,000 | (\$16,000) | \$0 | | | \$0 |
| Rebudget: Inventory Control System | | | \$21,000 | (\$21,000) | \$0 | | | \$0 |
| Rebudget: SCBA Technician Service Vehicle | | | \$9,000 | (\$9,000) | \$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 | |
| CONST/CONV TAX FIRE (392) | | | | | | | | |
| Fire Capital Program | | | | | | | | |
| Rebudget: Self-Contained Breathing Apparatus (SCBA) Equipment | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: Telecommunications Upgrade | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: Tools and Equipment | | | \$188,000 | (\$188,000) | \$0 | | | \$0 |
| Rebudget: Traffic Control Equipment | | | \$9,000 | (\$9,000) | \$0 | | | \$0 |
| Rebudget: Training Center Master Plan | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Rebudget: Training Center Shower Facility Lease Payments | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Total for Fund 392 | | | \$359,000 | \$634,137 | \$993,137 | \$0 | \$993,137 | \$0 |
| CONSTR/CONV TX-LIBRARY (393) | | | | | | | | |
| Library Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,543,341 | \$1,543,341 | | \$1,543,341 | \$0 |
| Rebudget: Branch Library Bond Projects | | | \$42,000 | (\$42,000) | \$0 | | | \$0 |
| Rebudget: Facilities Improvements | | | \$30,000 | (\$30,000) | \$0 | | | \$0 |
| Rebudget: General Equipment and Furnishings | | | \$70,000 | (\$70,000) | \$0 | | | \$0 |
| Rebudget: IBSM - Rapid Implementation | | | \$65,000 | (\$65,000) | \$0 | | | \$0 |
| Rebudget: Joint Library Technology | | | \$150,000 | (\$150,000) | \$0 | | | \$0 |
| Rebudget: West Valley Branch - LEED Certification | | | \$7,000 | (\$7,000) | \$0 | | | \$0 |
| Rebudget: West Valley Branch FF&E | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Rebudget: West Valley Branch Public Art | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: West Valley Branch Replacement | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Total for Fund 393 | | | \$418,000 | \$1,125,341 | \$1,543,341 | \$0 | \$1,543,341 | \$0 |
| CONST/CONV TX CW-SRVC YDS (395) | | | | | | | | |

**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 | |
| CONST/CONV TX CW-SRVC YDS (395) | | | | | | | | |
| Service Yards Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$208,267) | (\$208,267) | | (\$208,267) | \$0 |
| Rebudget: Mabury Yard Dispatch Services Upgrade | | | \$54,000 | (\$54,000) | \$0 | | | \$0 |
| Total for Fund 395 | | | \$54,000 | (\$262,267) | (\$208,267) | \$0 | (\$208,267) | \$0 |
| CONST/CONV TX CW COMM (397) | | | | | | | | |
| Communications Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$245,610 | \$245,610 | | \$245,610 | \$0 |
| Rebudget: Communications Equipment Replacement and Upgrade | | | \$195,000 | (\$195,000) | \$0 | | | \$0 |
| Rebudget: Public Safety Mobile Computer Upgrade | | | (\$37,000) | \$37,000 | \$0 | | | \$0 |
| Total for Fund 397 | | | \$158,000 | \$87,610 | \$245,610 | \$0 | \$245,610 | \$0 |
| CONST/CONV TX CW PKS MAINT (398) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$33,306) | (\$33,306) | | (\$33,306) | \$0 |
| Rebudget: Kelley Park Maintenance Yard Renovation | | | \$25,000 | (\$25,000) | \$0 | | | \$0 |
| Total for Fund 398 | | | \$25,000 | (\$58,306) | (\$33,306) | \$0 | (\$33,306) | \$0 |
| EMERGENCY RESERVE FUND (406) | | | | | | | | |
| FINANCE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$116,303 | \$116,303 | | \$116,303 | \$0 |
| Total for Fund 406 | | | | \$116,303 | \$116,303 | \$0 | \$116,303 | \$0 |
| LIBRARY BEN ASSESS FD (412) | | | | | | | | |

**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 | |
| LIBRARY BEN ASSESS FD (412) | | | | | | | | |
| LIBRARY | | | | | | | | |
| Fund Balance Reconciliation | | | | \$578,567 | \$578,567 | | \$578,567 | \$0 |
| Rebudget: Non-personal/Equipment | | | \$150,000 | (\$150,000) | \$0 | | | \$0 |
| Rebudget: Personal Services | | | \$100,000 | (\$100,000) | \$0 | | | \$0 |
| Library Capital Program | | | | | | | | |
| Rebudget: Acquisition of Materials | | | (\$32,000) | \$32,000 | \$0 | | | \$0 |
| Total for Fund 412 | | | \$218,000 | \$360,567 | \$578,567 | \$0 | \$578,567 | \$0 |
| STORM DRAINAGE FEE FD (413) | | | | | | | | |
| Storm Sewer Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$227,056 | \$227,056 | | \$227,056 | \$0 |
| Rebudget: Guadalupe River Park | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Total for Fund 413 | | | \$2,000 | \$225,056 | \$227,056 | \$0 | \$227,056 | \$0 |
| SUPPL LAW ENF SVCES (414) | | | | | | | | |
| POLICE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$161,926 | \$161,926 | | \$161,926 | \$0 |
| Rebudget: SLES 2001-03 | | | \$11,084 | (\$11,084) | \$0 | | | \$0 |
| Rebudget: SLES 2002-2004 | | | \$20,978 | (\$20,978) | \$0 | | | \$0 |
| Total for Fund 414 | | | \$32,062 | \$129,864 | \$161,926 | \$0 | \$161,926 | \$0 |
| FEDERAL LLEBG PROG (415) | | | | | | | | |



**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 | |
| FEDERAL LLEBG PROG (415) | | | | | | | | |
| POLICE | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$25,402) | (\$25,402) | | (\$25,402) | \$0 |
| Rebudget: LLEBG 2001-2003 | | | \$95,630 | (\$95,630) | \$0 | | | \$0 |
| Rebudget: LLEBG 2002-2004 | | | (\$78,785) | \$78,785 | \$0 | | | \$0 |
| Total for Fund 415 | | | \$16,845 | (\$42,247) | (\$25,402) | \$0 | (\$25,402) | \$0 |
| UNDERGRND UTILITY FD (416) | | | | | | | | |
| Devel Assisted Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$336,609 | \$336,609 | | \$336,609 | \$0 |
| Rebudget: Public Works Equip Maintenance and Replacement | | | \$13,000 | (\$13,000) | \$0 | | | \$0 |
| Rebudget: Center Strip Paving | | | \$30,000 | (\$30,000) | \$0 | | | \$0 |
| Total for Fund 416 | | | \$43,000 | \$293,609 | \$336,609 | \$0 | \$336,609 | \$0 |
| STATE DRUG FORF FD (417) | | | | | | | | |
| POLICE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$438,439 | \$438,439 | | \$438,439 | \$0 |
| Rebudget: Motorcycles and Radio/Helmet Sets | | \$95,000 | | (\$95,000) | \$0 | | | \$0 |
| Total for Fund 417 | | \$95,000 | | \$343,439 | \$438,439 | \$0 | \$438,439 | \$0 |
| FED DRUG FORF FD (419) | | | | | | | | |
| POLICE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$10,625 | \$10,625 | | \$10,625 | \$0 |
| Total for Fund 419 | | | | \$10,625 | \$10,625 | \$0 | \$10,625 | \$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 | |
| RES CONST TAX CONTR FUND (420) | | | | | | | |
| Devel Assisted Capital Program | | | | | | | |
| Fund Balance Reconciliation | | | | \$348,033 | \$348,033 | | \$348,033 \$0 |
| Rebudget: Reimbursement to Developers for Landscaping | | | \$54,000 | (\$54,000) | \$0 | | \$0 |
| Rebudget: Underground Utility Program | | | \$303,000 | (\$303,000) | \$0 | | \$0 |
| Total for Fund 420 | | | \$357,000 | (\$8,967) | \$348,033 | \$0 | \$348,033 \$0 |
| ARTERIAL & MAJOR COLL FD (421) | | | | | | | |
| Traffic Capital Program | | | | | | | |
| Fund Balance Reconciliation | | | | (\$37,899) | (\$37,899) | | (\$37,899) \$0 |
| Total for Fund 421 | | | | (\$37,899) | (\$37,899) | \$0 | (\$37,899) \$0 |
| COMMTY FACIL REVENUE FD (422) | | | | | | | |
| CAE | | | | | | | |
| Fund Balance Reconciliation | | | | \$928,196 | \$928,196 | | \$928,196 \$0 |
| Total for Fund 422 | | | | \$928,196 | \$928,196 | \$0 | \$928,196 \$0 |
| INT WASTE MGT FUND (423) | | | | | | | |
| TRANSPORTATION | | | | | | | |
| Rebudget: Residential Street Sweeping Signage | | \$26,000 | | (\$26,000) | \$0 | | \$0 |
| ENVIRON SVCS | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,993,063 | \$1,993,063 | | \$1,993,063 \$0 |
| Rebudget: Public Area Recycling | | \$97,449 | | (\$97,449) | \$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 | |
| INT WASTE MGT FUND (423) | | | | | | | | |
| Total for Fund 423 | | | \$123,449 | \$1,869,614 | \$1,993,063 | \$0 | \$1,993,063 | \$0 |
| CIVIC CTR CONST FD (425) | | | | | | | | |
| Civic Center Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$8,792,802 | \$8,792,802 | | \$8,792,802 | \$0 |
| Rebudget: Construction | | | | \$10,083,000 | (\$10,083,000) | \$0 | | \$0 |
| Rebudget: Consultants | | | | \$106,000 | (\$106,000) | \$0 | | \$0 |
| Rebudget: Design and Construction Management | | | | \$90,000 | (\$90,000) | \$0 | | \$0 |
| Rebudget: Public Art | | | | \$12,000 | (\$12,000) | \$0 | | \$0 |
| Total for Fund 425 | | | \$10,291,000 | (\$1,498,198) | \$8,792,802 | \$0 | \$8,792,802 | \$0 |
| ANTI-TOBACCO SETTLEMENT FD (426) | | | | | | | | |
| PRNS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$982,752 | \$982,752 | | \$1,407,093 | (\$424,341) |
| Fund Balance Reconciliation: Interest Earnings Reserve | | | | (\$231,188) | (\$231,188) | | (\$231,188) | \$0 |
| Rebudget: Anti-Tobacco Collaborative: NAACP | | | | \$27,790 | \$27,790 | | | \$27,790 |
| Rebudget: Anti-Tobacco Collaborative: YMCA | | | | \$22,250 | \$22,250 | | | \$22,250 |
| Rebudget: Anti-Tobacco Collaborative: YWCA | | | | \$32,040 | \$32,040 | | | \$32,040 |
| Rebudget: East San Jose Multi-Service Center | | | | \$250,000 | \$250,000 | | | \$250,000 |
| Rebudget: Provider Training Resource/ACT | | | | \$13,900 | \$13,900 | | | \$13,900 |
| Rebudget: The Collaborative | | | | (\$73,069) | (\$73,069) | | | (\$73,069) |
| Rebudget: Vida Nueva Program Expansion Project | | | | \$151,430 | \$151,430 | | | \$151,430 |
| Total for Fund 426 | | | \$424,341 | \$751,564 | \$1,175,905 | \$0 | \$1,175,905 | \$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 | |
| BUILDING & STRUCT CONST TAX (429) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$12,629,396 | \$12,629,396 | | \$12,629,396 | \$0 |
| Rebudget: Bailey Avenue Above-Grade Crossing at UPRR | | | \$950,000 | (\$950,000) | \$0 | | | \$0 |
| Rebudget: Berryessa Road: Coyote Creek to Route 680 | | | \$460,000 | (\$460,000) | \$0 | | | \$0 |
| Rebudget: Foxworthy Avenue: Guadalupe River | | | \$7,000 | (\$7,000) | \$0 | | | \$0 |
| Rebudget: Hostetter Road: Sierra Creek to Stone Creek | | | \$153,000 | (\$153,000) | \$0 | | | \$0 |
| Rebudget: ITS Airport Area | | | | \$9,000 | \$9,000 | \$9,000 | | \$0 |
| Rebudget: ITS Enhancements | | | | \$198,000 | \$198,000 | \$198,000 | | \$0 |
| Rebudget: ITS: Milpitas/Fremont | | | \$121,000 | \$118,000 | \$239,000 | \$239,000 | | \$0 |
| Rebudget: ITS: Proactive Signal Re-Timing | | | | (\$115,000) | (\$115,000) | (\$115,000) | | \$0 |
| Rebudget: ITS: Stevens Creek-West | | | \$55,000 | \$24,000 | \$79,000 | \$79,000 | | \$0 |
| Rebudget: ITS: Traffic Incident Management Center | | | \$51,000 | \$1,000 | \$52,000 | \$52,000 | | \$0 |
| Rebudget: ITS: Web Traveler | | | \$44,000 | \$138,000 | \$182,000 | \$182,000 | | \$0 |
| Rebudget: King Road: 200 ft South of Barberry Lane | | | \$24,000 | (\$24,000) | \$0 | | | \$0 |
| Rebudget: King Road: Berryessa to McKee | | | (\$139,000) | \$139,000 | \$0 | | | \$0 |
| Rebudget: King Road: Penitencia Creek Bridge | | | \$38,000 | (\$38,000) | \$0 | | | \$0 |
| Rebudget: Lester Property Area Street Improvements | | | \$474,000 | (\$474,000) | \$0 | | | \$0 |
| Rebudget: Measure A/B Engineering | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: North San Jose Traffic Mitigations | | | (\$6,000) | \$6,000 | \$0 | | | \$0 |
| Rebudget: Oakland Road: Route 101 to Hedding | | | \$397,000 | (\$397,000) | \$0 | | | \$0 |
| Rebudget: Oakland Road: Route 101 to Montague | | | \$968,000 | (\$968,000) | \$0 | | | \$0 |
| Rebudget: Oakland Road: Wayne Ave./UPRR | | | (\$20,000) | \$20,000 | \$0 | | | \$0 |
| Rebudget: Quito Road: Saratoga to Bucknall | | | \$96,000 | (\$96,000) | \$0 | | | \$0 |
| Rebudget: Railroad Grade Crossings | | | \$75,000 | (\$75,000) | \$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 | |
| BUILDING & STRUCT CONST TAX (429) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Rebudget: Reserve: VTA: Bailey/101 Improvements Project | | | (\$950,000) | \$950,000 | \$0 | | | \$0 |
| Rebudget: Route 87: Caltrans Design and Construction Support | | | \$89,000 | (\$89,000) | \$0 | | | \$0 |
| Rebudget: Route 87: Consultant Support | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Rebudget: Route 880: Stevens Creek Interchange | | | (\$72,000) | \$72,000 | \$0 | | | \$0 |
| Rebudget: Seismic Bridge Retrofit | | | \$19,000 | \$21,000 | \$40,000 | \$40,000 | | \$0 |
| Rebudget: Senter Road: Singleton to Monterey | | | \$745,000 | (\$745,000) | \$0 | | | \$0 |
| Rebudget: Senter Road: Tully to Singleton | | | \$680,000 | (\$680,000) | \$0 | | | \$0 |
| Rebudget: Smart Intersections | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Rebudget: Taylor Street at Route 101 | | | \$120,000 | (\$120,000) | \$0 | | | \$0 |
| Rebudget: Traffic Signals | | | \$135,000 | (\$135,000) | \$0 | | | \$0 |
| Rebudget: Traffic Signals: LRT Retiming | | | \$40,000 | (\$35,000) | \$5,000 | \$5,000 | | \$0 |
| Rebudget: Transportation Division Office Remodel | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: Trimble Road at Guadalupe River | | | \$128,000 | (\$128,000) | \$0 | | | \$0 |
| Rebudget: Tully Road: Monterey to Lucretia | | | (\$66,000) | \$66,000 | \$0 | | | \$0 |
| Rebudget: Union Avenue at Los Gatos-Almaden Road | | | \$74,000 | (\$74,000) | \$0 | | | \$0 |
| Rebudget: VTA: Bailey/101 Improvements Project | | | \$3,995,000 | (\$3,995,000) | \$0 | | | \$0 |
| Rebudget: White Road: Penitencia to McKee | | | \$367,000 | (\$367,000) | \$0 | | | \$0 |
| Rebudget: Willow Glen Way: Guadalupe River Bridge | | | \$43,000 | (\$43,000) | \$0 | | | \$0 |
| Rebudget: Winfield Boulevard at Alamos Creek | | | \$39,000 | (\$39,000) | \$0 | | | \$0 |
| Rebudget: Wooster Avenue: Silver Creek Bridge | | | \$46,000 | (\$46,000) | \$0 | | | \$0 |
| Rebudget: Route 87: Funding Supplement | | | \$17,000 | (\$17,000) | \$0 | | | \$0 |
| Total for Fund 429 | | | \$9,215,000 | \$4,103,396 | \$13,318,396 | \$689,000 | \$12,629,396 | \$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 | |
| CIVIC CTR PRKNG FD (433) | | | | | | | | |
| Civic Center Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$2,567,667) | (\$2,567,667) | | (\$2,567,667) | \$0 |
| Rebudget: New Civic Center Parking Garage | | | (\$167,000) | \$167,000 | \$0 | | | \$0 |
| Rebudget: Transfer to RDA - Land Acquisition | | | (\$1,967,000) | \$1,967,000 | \$0 | | | \$0 |
| Total for Fund 433 | | | (\$2,134,000) | (\$433,667) | (\$2,567,667) | \$0 | (\$2,567,667) | \$0 |
| DEVELOPMENT ENHANCEMENT (439) | | | | | | | | |
| ECON DEVELOP | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,102,682 | \$1,102,682 | | \$1,102,682 | \$0 |
| Total for Fund 439 | | | | \$1,102,682 | \$1,102,682 | \$0 | \$1,102,682 | \$0 |
| HOUSING AND HOMELESS FD (440) | | | | | | | | |
| HOUSING | | | | | | | | |
| Fund Balance Reconciliation | | | | \$464,053 | \$464,053 | | \$464,053 | \$0 |
| Total for Fund 440 | | | | \$464,053 | \$464,053 | \$0 | \$464,053 | \$0 |
| COMM DEV BK GRANT (441) | | | | | | | | |
| REDEVELOPMENT AGENCY | | | | | | | | |
| Rebudget: Economic Development Improvement Grant | | | \$200,000 | | \$200,000 | | | \$200,000 |
| TRANSPORTATION | | | | | | | | |
| Rebudget: Elizabeth St. Improvement Project (Phase II) | | | \$705,830 | | \$705,830 | | | \$705,830 |
| Rebudget: Fifth/Sixth St Alley Reconstruction | | | \$86,979 | | \$86,979 | | | \$86,979 |

**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 | |
| COMM DEV BK GRANT (441) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Rebudget: Guadalupe-Washington Alley Reconstruction | | | \$237,503 | | \$237,503 | | | \$237,503 |
| Rebudget: St Lighting: Washington Area | | | \$86,392 | | \$86,392 | | | \$86,392 |
| Rebudget: Street Lighting: Edenvale Area Phase I | | | \$15,184 | | \$15,184 | | | \$15,184 |
| Rebudget: Street Lighting: Reed Street Pedestrian | | | \$107,000 | | \$107,000 | | | \$107,000 |
| HOUSING | | | | | | | | |
| Rebudget: Housing Rehab Loans & Grants | | | \$29,781 | | \$29,781 | | | \$29,781 |
| Rebudget: Predevelopment Loan Program | | | \$305,467 | | \$305,467 | | | \$305,467 |
| PBCE | | | | | | | | |
| Rebudget: Concentrated Code Enforcement | | | \$8,773 | | \$8,773 | | | \$8,773 |
| ECON DEVELOP | | | | | | | | |
| Rebudget: EDA Revolving Loan Program | | | \$366,442 | | \$366,442 | | | \$366,442 |
| PRNS | | | | | | | | |
| Clean-Up: CDBG Administration | | | \$1,231,189 | | \$1,231,189 | | | \$1,231,189 |
| Clean-Up: CDBG Program Development & Monitoring | | | (\$1,231,189) | | (\$1,231,189) | | | (\$1,231,189) |
| Fund Balance Reconciliation | | | | \$1,612,198 | \$1,612,198 | | \$6,439,850 | (\$4,827,652) |
| Rebudget: Backesto Park Restroom Renovation | | | \$41,738 | | \$41,738 | | | \$41,738 |
| Rebudget: DeFrank Lesbian/Gay Community Center | | | \$29,722 | | \$29,722 | | | \$29,722 |
| Rebudget: East Community Resource Center | | | \$550,000 | | \$550,000 | | | \$550,000 |
| Rebudget: Eastside Clubhouse Capital Program | | | \$750,000 | | \$750,000 | | | \$750,000 |
| Rebudget: Evaluation of CDBG Services | | | \$100,000 | | \$100,000 | | | \$100,000 |
| Rebudget: Goss Community Center | | | \$200,000 | | \$200,000 | | | \$200,000 |
| Rebudget: Non-Profit Capacity Building | | | \$87,537 | | \$87,537 | | | \$87,537 |

**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 | |
| COMM DEV BK GRANT (441) | | | | | | | | |
| PRNS | | | | | | | | |
| Rebudget: Northside Community Center Expansion | | | \$41,667 | | \$41,667 | | | \$41,667 |
| Rebudget: Nursery Renovation Project | | | \$194,000 | | \$194,000 | | | \$194,000 |
| Rebudget: O'Connor Park Restroom Building | | | \$250,000 | | \$250,000 | | | \$250,000 |
| Rebudget: Roosevelt Roller Hockey Rink | | | \$15,637 | | \$15,637 | | | \$15,637 |
| Rebudget: Selma-Olinder Park (Phase I) | | | \$218,000 | | \$218,000 | | | \$218,000 |
| Rebudget: Therapeutic Rec & Wellness Study | | | \$200,000 | | \$200,000 | | | \$200,000 |
| Total for Fund 441 | | | \$4,827,652 | \$1,612,198 | \$6,439,850 | \$0 | \$6,439,850 | \$0 |
| LOW/MOD INC HSNG FD (443) | | | | | | | | |
| HOUSING | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,179,603 | \$1,179,603 | | \$1,179,603 | \$0 |
| Rebudget Loan Management | | | \$850,000 | (\$850,000) | \$0 | | | \$0 |
| Total for Fund 443 | | | \$850,000 | \$329,603 | \$1,179,603 | \$0 | \$1,179,603 | \$0 |
| ECON DEV ADMIN LOAN FD (444) | | | | | | | | |
| ECON DEVELOP | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$54,962) | (\$54,962) | | (\$54,962) | \$0 |
| Rebudget: Small Business Loan | | | (\$60,000) | \$60,000 | \$0 | | | \$0 |
| Total for Fund 444 | | | (\$60,000) | \$5,038 | (\$54,962) | \$0 | (\$54,962) | \$0 |
| HOME INVEST PARTNR PGM (445) | | | | | | | | |

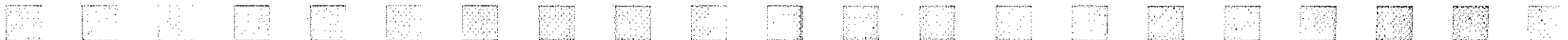


**Special Funds
Clean-up Adjustment Actions**

| Department/Proposal | USE | | | Ending Fund Balance | Total Use | SOURCE | | NET COST |
|--|-------------------|-------------------------|--------------------|----------------------|--------------------|------------|--------------------|------------|
| | Personal Services | Non-Personal/ Equipment | Other | | | Revenue | Beg Fund Balance | |
| HOME INVEST PARTNR PGM (445) | | | | | | | | |
| HOUSING | | | | | | | | |
| Fund Balance Reconciliation | | | | \$4,641,817 | \$4,641,817 | | \$4,641,817 | \$0 |
| Total for Fund 445 | | | | \$4,641,817 | \$4,641,817 | \$0 | \$4,641,817 | \$0 |
| STORM DRAIN SVCE USE CHRG (446) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,119,608 | \$1,119,608 | | \$1,119,608 | \$0 |
| Rebudget: Street Sweeper | | \$200,000 | | (\$200,000) | \$0 | | | \$0 |
| Total for Fund 446 | | \$200,000 | | \$919,608 | \$1,119,608 | \$0 | \$1,119,608 | \$0 |
| MULTI SOURCE HOUSING FUND (448) | | | | | | | | |
| HOUSING | | | | | | | | |
| Rebudget - CalHome | | | \$170,000 | (\$170,000) | \$0 | | | \$0 |
| Rebudget - HOPWA | | | \$763,390 | (\$763,390) | \$0 | | | \$0 |
| Rebudget SNI Rehabilitation Program | | | \$955,000 | (\$955,000) | \$0 | | | \$0 |
| Total for Fund 448 | | | \$1,888,390 | (\$1,888,390) | \$0 | \$0 | | \$0 |
| REDEV CAPITAL PROJECTS FUND | | | | | | | | |
| PUBLIC WORKS | | | | | | | | |
| Rebudget: Barberry Lane Sidewalk Improvements | | | \$14,186 | (\$14,186) | \$0 | | | \$0 |
| Rebudget: Bellevue Park Master Plan Design | | | (\$1,853) | \$1,853 | \$0 | | | \$0 |
| Rebudget: Center for the Performing Arts | | | (\$31,218) | \$31,218 | \$0 | | | \$0 |
| Rebudget: Children's Discovery Museum Capital Enhancements | | | \$16,400 | (\$16,400) | \$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 | |
| REDEV CAPITAL PROJECTS FUND | | | | | | | | |
| PUBLIC WORKS | | | | | | | | |
| Rebudget: Childrens Discovery Museum Capital Improvements | | | (\$300) | \$300 | \$0 | | | \$0 |
| Rebudget: Edenvale Infrastructure Improvements | | | \$402,620 | (\$402,620) | \$0 | | | \$0 |
| Rebudget: Fallon Statue Public Art | | | \$430 | (\$430) | \$0 | | | \$0 |
| Rebudget: Hellyer Piercy Improvement District | | | \$1,444 | (\$1,444) | \$0 | | | \$0 |
| Rebudget: Japantown Gateway | | | \$895 | (\$895) | \$0 | | | \$0 |
| Rebudget: King and Story Road Improvements | | | \$615 | (\$615) | \$0 | | | \$0 |
| Rebudget: Monterey Corridor Median Improvement | | | (\$3,544) | \$3,544 | \$0 | | | \$0 |
| Rebudget: Monterey Pedestrian Streetlight Design | | | \$25,712 | (\$25,712) | \$0 | | | \$0 |
| Rebudget: Monterey/South First Street Tree Planting Project | | | \$612 | (\$612) | \$0 | | | \$0 |
| Rebudget: North San Jose Rincon System Improvements | | | \$91,676 | (\$91,676) | \$0 | | | \$0 |
| Rebudget: Opera San Jose at Fox Theatre | | | \$108,080 | (\$108,080) | \$0 | | | \$0 |
| Rebudget: Phelan Avenue Infrastructure | | | \$24,056 | (\$24,056) | \$0 | | | \$0 |
| Rebudget: Prusch Park Construction | | | (\$11,846) | \$11,846 | \$0 | | | \$0 |
| Rebudget: Story Road Median Island Improvement | | | (\$30,985) | \$30,985 | \$0 | | | \$0 |
| Rebudget: The Alameda Sidewalk Replacement | | | \$2,400 | (\$2,400) | \$0 | | | \$0 |
| Rebudget: The Alameda at Martin and Cleaves | | | (\$11,375) | \$11,375 | \$0 | | | \$0 |
| Rebudget: Thirteenth Street Streetscape | | | (\$43,421) | \$43,421 | \$0 | | | \$0 |
| Rebudget: Underground Street Light System on Oak & Edward Sts | | | (\$1,256) | \$1,256 | \$0 | | | \$0 |
| Rebudget: Union & Foxworthy Sidewalk Replace & Street Trees | | | \$3,452 | (\$3,452) | \$0 | | | \$0 |
| PRNS | | | | | | | | |
| Rebudget: Gardner Computer Learning Center | | | \$75,000 | (\$75,000) | \$0 | | | \$0 |
| Rebudget: Northside Community Center | | | \$440,000 | (\$440,000) | \$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 | |
| REDEV CAPITAL PROJECTS FUND | | | | | | | | |
| CAE | | | | | | | | |
| Rebudget: Alum Rock Youth Center Public Art | | | (\$78,792) | \$78,792 | \$0 | | | \$0 |
| Rebudget: Fourth and San Fernando Garage Public Art | | | (\$6,000) | \$6,000 | \$0 | | | \$0 |
| Rebudget: Horace Mann School Public Art | | | \$500 | (\$500) | \$0 | | | \$0 |
| Rebudget: Joint Library Public Art | | | (\$13,496) | \$13,496 | \$0 | | | \$0 |
| Rebudget: Paseo Plaza Public Art | | | \$193,000 | (\$193,000) | \$0 | | | \$0 |
| Rebudget: Tech Museum of Innovation | | | \$13,000 | (\$13,000) | \$0 | | | \$0 |
| Rebudget: Twohy Building Public Art | | | \$100,000 | (\$100,000) | \$0 | | | \$0 |
| CAPITAL | | | | | | | | |
| Fund Balance Reconciliation | | | | \$6,420,519 | \$6,420,519 | | \$6,420,519 | \$0 |
| Total for Fund 450 | | | \$1,279,992 | \$5,140,527 | \$6,420,519 | \$0 | \$6,420,519 | \$0 |
| TRANSIENT OCCUPANCY TAX (461) | | | | | | | | |
| CAE | | | | | | | | |
| Fund Balance Reconciliation | | | | \$709,540 | \$709,540 | | \$709,540 | \$0 |
| Rebudget: Transfer to Conventions and Cultural Affairs Fund | | | \$1,314,955 | (\$1,314,955) | \$0 | | | \$0 |
| Total for Fund 461 | | | \$1,314,955 | (\$605,415) | \$709,540 | \$0 | \$709,540 | \$0 |
| LAKE CUNNINGHAM FUND (462) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$129,515 | \$129,515 | | \$129,515 | \$0 |
| Rebudget: Capital Renovation/Restoration | | | (\$4,000) | \$4,000 | \$0 | | | \$0 |
| Rebudget: Lake Cunningham Groundwater Repair | | | \$113,000 | (\$113,000) | \$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 | |
| LAKE CUNNINGHAM FUND (462) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Parking Improvements | | | \$5,000 | (\$5,000) | \$0 | | | \$0 |
| Rebudget: Perimeter Landscaping | | | (\$39,000) | \$39,000 | \$0 | | | \$0 |
| Total for Fund 462 | | | \$75,000 | \$54,515 | \$129,515 | \$0 | \$129,515 | \$0 |
| CENTR SVC YD ACQ & CONST FD (463) | | | | | | | | |
| Service Yards Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$257,272) | (\$257,272) | | (\$257,272) | \$0 |
| Total for Fund 463 | | | | (\$257,272) | (\$257,272) | \$0 | (\$257,272) | \$0 |
| CONSTRUCTION EXCISE TAX FD (465) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$9,390,057 | \$9,390,057 | | \$9,390,057 | \$0 |
| Rebudget: Bicycle and Pedestrian Facilities | | | (\$245,000) | \$245,000 | \$0 | | | \$0 |
| Rebudget: Bridge Management System | | | \$15,000 | (\$15,000) | \$0 | | | \$0 |
| Rebudget: CFD #9 North Coyote II | | | \$102,000 | (\$102,000) | \$0 | | | \$0 |
| Rebudget: Cisco: Bailey 101 Interchange | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Cisco: Traffic Mitigation | | | \$154,000 | (\$154,000) | \$0 | | | \$0 |
| Rebudget: City-wide Sidewalk Repairs | | | \$495,000 | (\$495,000) | \$0 | | | \$0 |
| Rebudget: Curb Accessibility Program | | | (\$18,000) | \$18,000 | \$0 | | | \$0 |
| Rebudget: Curb and Gutter Repair | | | \$333,000 | (\$333,000) | \$0 | | | \$0 |
| Rebudget: Geographic Information Systems | | | (\$1,000) | \$1,000 | \$0 | | | \$0 |
| Rebudget: Hellyer Piercy Imp Dist & Great Oaks-Rte 85 CFD #6 | | | \$473,000 | (\$473,000) | \$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 | |
| CONSTRUCTION EXCISE TAX FD (465) | | | | | | | | |
| Traffic Capital Program | | | | | | | | |
| Rebudget: IMS/GIS Conversion | | | \$14,000 | (\$14,000) | \$0 | | | \$0 |
| Rebudget: Infrastructure Management System | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Rebudget: Local Transportation Policy and Planning | | | \$103,000 | (\$103,000) | \$0 | | | \$0 |
| Rebudget: Measure A/B Engineering | | | \$38,000 | (\$38,000) | \$0 | | | \$0 |
| Rebudget: Miscellaneous Street Improvements | | | \$68,000 | (\$68,000) | \$0 | | | \$0 |
| Rebudget: North San Jose Deficiency Plan Improvements | | | \$30,000 | (\$30,000) | \$0 | | | \$0 |
| Rebudget: Ortho Photo Project | | | \$287,000 | (\$287,000) | \$0 | | | \$0 |
| Rebudget: Professional Development and Training | | | \$18,000 | (\$18,000) | \$0 | | | \$0 |
| Rebudget: Public Works Equipment and Training | | | \$32,000 | (\$32,000) | \$0 | | | \$0 |
| Rebudget: Railroad Grade Crossings | | | \$46,000 | (\$46,000) | \$0 | | | \$0 |
| Rebudget: Right of Way Land Acquisition | | | \$16,000 | (\$16,000) | \$0 | | | \$0 |
| Rebudget: Street Lighting | | | \$89,000 | (\$89,000) | \$0 | | | \$0 |
| Rebudget: Street Maintenance | | | \$740,000 | (\$740,000) | \$0 | | | \$0 |
| Rebudget: Street Maintenance - Measure A/B | | | \$139,000 | \$1,519,000 | \$1,658,000 | \$1,658,000 | | \$0 |
| Rebudget: Street Maintenance: TCRP | | | \$773,000 | (\$773,000) | \$0 | | | \$0 |
| Rebudget: Traffic Calming | | | \$32,000 | (\$32,000) | \$0 | | | \$0 |
| Rebudget: Traffic Forecasting and Analysis | | | \$105,000 | (\$105,000) | \$0 | | | \$0 |
| Rebudget: Traffic Safety - School Walking Routes | | | (\$6,000) | \$6,000 | \$0 | | | \$0 |
| Rebudget: Traffic Safety Improvements | | | (\$18,000) | \$18,000 | \$0 | | | \$0 |
| Rebudget: Underground Utilities - City Conversions | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Rebudget: Weed Abatement | | | \$63,000 | (\$63,000) | \$0 | | | \$0 |
| Rebudget: Winchester Blvd. MIL: Moorpark to Impala | | | \$66,000 | (\$66,000) | \$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 | |
| CONSTRUCTION EXCISE TAX FD (465) | | | | | | | | |
| Total for Fund 465 | | | \$3,953,000 | \$7,095,057 | \$11,048,057 | \$1,658,000 | \$9,390,057 | \$0 |
| STORM SEWER CAPITAL FD (469) | | | | | | | | |
| Storm Sewer Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$124,253 | \$124,253 | | \$124,253 | \$0 |
| Miscellaneous Projects | | | (\$16,000) | \$16,000 | \$0 | | | \$0 |
| Rebudget: Guadalupe River Park Outfalls | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Rebudget: Willow Glen-Guadalupe Phase II | | | (\$32,000) | \$32,000 | \$0 | | | \$0 |
| Total for Fund 469 | | | (\$42,000) | \$166,253 | \$124,253 | \$0 | \$124,253 | \$0 |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | |
| Parks/Comnty Fac Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$4,163,936 | \$4,163,936 | | \$4,163,936 | \$0 |
| Rebudget: Almaden Community Center - Multi Service | | | \$572,000 | (\$572,000) | \$0 | | | \$0 |
| Rebudget: Almaden Lake Park | | | (\$54,000) | \$54,000 | \$0 | | | \$0 |
| Rebudget: Almaden Meadows Park Youth Lot | | | \$22,000 | (\$22,000) | \$0 | | | \$0 |
| Rebudget: Alviso Park Youth and Tot Lot Renovation | | | \$16,000 | (\$16,000) | \$0 | | | \$0 |
| Rebudget: Biebrach Park Youth Lot Renovation | | | (\$12,000) | \$12,000 | \$0 | | | \$0 |
| Rebudget: Butcher Park Youth and Tot Lot Renovation | | | \$7,000 | (\$7,000) | \$0 | | | \$0 |
| Rebudget: Calabazas Park Restroom | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: Camden Community Center - Multi Service | | | (\$35,000) | \$35,000 | \$0 | | | \$0 |
| Rebudget: Coyote Creek Trail - Los Lagos Golf Course - Kelley | | | \$73,000 | (\$73,000) | \$0 | | | \$0 |
| Rebudget: Emma Prusch Memorial Park - LeFevre House | | | (\$57,000) | \$57,000 | \$0 | | | \$0 |
| Rebudget: Flickinger Park Youth and Tot Lot | | | \$103,000 | (\$103,000) | \$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 | |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Fontanna Park Youth and Tot Lot Renovation | | | \$33,000 | (\$33,000) | \$0 | | | \$0 |
| Rebudget: Forestdale Park Tot Lot Renovation | | | \$3,000 | (\$3,000) | \$0 | | | \$0 |
| Rebudget: Gardner Community Center - Multi Service | | | (\$382,000) | \$382,000 | \$0 | | | \$0 |
| Rebudget: Great Oaks Park Play Area Renovation | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: Green Building Policy Committee | | | \$27,000 | (\$27,000) | \$0 | | | \$0 |
| Rebudget: Guadalupe Oak Grove Restroom | | | \$61,000 | (\$61,000) | \$0 | | | \$0 |
| Rebudget: Guadalupe River Trail - 280 to Curtner | | | \$27,000 | (\$27,000) | \$0 | | | \$0 |
| Rebudget: Hamann Park Youth Lot Renovation and Restroom | | | \$1,000 | (\$1,000) | \$0 | | | \$0 |
| Rebudget: Hathaway Park Youth Lot Renovation and Restroom | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Hillview Park Play Area Renovation and Restroom | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Lone Hill Park Youth and Tot Renovation and Restroo | | | \$6,000 | (\$6,000) | \$0 | | | \$0 |
| Rebudget: Los Gatos Creek Trail - Lincoln to Auzerais and Willow | | | \$125,000 | (\$125,000) | \$0 | | | \$0 |
| Rebudget: Martin Park Youth and Tot Lot Renovation | | | \$35,000 | (\$35,000) | \$0 | | | \$0 |
| Rebudget: Mayfair Community Center - Satellite | | | \$81,000 | (\$81,000) | \$0 | | | \$0 |
| Rebudget: Meadowfair Center Play Area Renovation | | | (\$2,000) | \$2,000 | \$0 | | | \$0 |
| Rebudget: Mise Park Restroom | | | \$12,000 | (\$12,000) | \$0 | | | \$0 |
| Rebudget: Morrill Community Center - Multi Service | | | \$100,000 | (\$100,000) | \$0 | | | \$0 |
| Rebudget: Municipal Rose Garden | | | \$55,000 | (\$55,000) | \$0 | | | \$0 |
| Rebudget: Murdock Park Youth Lot Renovation | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: Noble Park Play Area Renovation | | | \$13,000 | (\$13,000) | \$0 | | | \$0 |
| Rebudget: Parkview Park I Play Area Renovation | | | \$8,000 | (\$8,000) | \$0 | | | \$0 |
| Rebudget: Parview Park II Play Area Renovation | | | \$197,000 | (\$197,000) | \$0 | | | \$0 |
| Rebudget: Paul Moore Park Restroom | | | \$32,000 | (\$32,000) | \$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 | |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | |
| Parks/Commty Fac Capital Pgm | | | | | | | | |
| Rebudget: Plata Arroyo Park Play Area Renovation and Restroom | | | \$37,000 | (\$37,000) | \$0 | | | \$0 |
| Rebudget: Public Art - Parks and Recreation Bond Project | | | \$427,000 | (\$427,000) | \$0 | | | \$0 |
| Rebudget: Rainbow Park Play Area Renovation and Restroom | | | \$60,000 | (\$60,000) | \$0 | | | \$0 |
| Rebudget: Ramblewood Park Play Area Renovation and Restroom | | | \$23,000 | (\$23,000) | \$0 | | | \$0 |
| Rebudget: River Glen Park Youth Lot Renovation and Restroom | | | \$30,000 | (\$30,000) | \$0 | | | \$0 |
| Rebudget: Roy Avenue Park Play Area Renovation | | | \$2,000 | (\$2,000) | \$0 | | | \$0 |
| Rebudget: San Thomas Park Youth and Tot Lot Renovation and R | | | (\$26,000) | \$26,000 | \$0 | | | \$0 |
| Rebudget: Saratoga Creek Park Youth Lots Renovation and Restro | | | \$134,000 | (\$134,000) | \$0 | | | \$0 |
| Rebudget: Saratoga Creek Trail - 280 to Murdock Park | | | \$102,000 | (\$102,000) | \$0 | | | \$0 |
| Rebudget: Shady Oaks Sports Park | | | \$89,000 | (\$89,000) | \$0 | | | \$0 |
| Rebudget: Silvia Cassell Park Play Area Renovation | | | \$11,000 | (\$11,000) | \$0 | | | \$0 |
| Rebudget: Singelton Sports Park | | | \$28,000 | (\$28,000) | \$0 | | | \$0 |
| Rebudget: Southside Community Center - Multi Service | | | \$27,000 | (\$27,000) | \$0 | | | \$0 |
| Rebudget: Stonegate Park Youth/Tot Lot Renovation | | | \$49,000 | (\$49,000) | \$0 | | | \$0 |
| Rebudget: TJ Martin Park Play Area Renovation | | | \$212,000 | (\$212,000) | \$0 | | | \$0 |
| Rebudget: Terrell Park Play Area Renovation | | | \$161,000 | (\$161,000) | \$0 | | | \$0 |
| Rebudget: Townsend Park Youth and Tot Lot | | | \$30,000 | (\$30,000) | \$0 | | | \$0 |
| Rebudget: Wallenberg Park Play Area Renovation and Restroom | | | \$132,000 | (\$132,000) | \$0 | | | \$0 |
| Rebudget: Watson Park Youth Lot Renovation and Restroom | | | \$80,000 | (\$80,000) | \$0 | | | \$0 |
| Rebudget: Welch Park Restroom | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: William Street Park Restroom | | | (\$8,000) | \$8,000 | \$0 | | | \$0 |
| Rebudget: Willows Community Center - Multi Service | | | \$39,000 | (\$39,000) | \$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 | | |
| PARKS & REC BOND PRJ FD (471) | | | | | | | | | |
| Total for Fund 471 | | | | \$2,719,000 | \$1,444,936 | \$4,163,936 | \$0 | \$4,163,936 | \$0 |
| BRANCH LIB BOND PRJ FD (472) | | | | | | | | | |
| Library Capital Program | | | | | | | | | |
| Fund Balance Reconciliation | | | | \$778,659 | \$778,659 | | \$778,659 | | \$0 |
| Rebudget: Almaden Branch | | | (\$57,000) | \$57,000 | \$0 | | | | \$0 |
| Rebudget: Alum Rock Branch | | | (\$67,000) | \$67,000 | \$0 | | | | \$0 |
| Rebudget: Berryessa Branch Library | | | (\$211,000) | \$211,000 | \$0 | | | | \$0 |
| Rebudget: Edenvale Branch | | | \$1,000 | (\$1,000) | \$0 | | | | \$0 |
| Rebudget: Evergreen Branch | | | (\$63,000) | \$63,000 | \$0 | | | | \$0 |
| Rebudget: Hillview Branch | | | (\$23,000) | \$23,000 | \$0 | | | | \$0 |
| Rebudget: Land Acquisition | | | (\$199,000) | \$199,000 | \$0 | | | | \$0 |
| Rebudget: Project Services Consultant | | | (\$2,000) | \$2,000 | \$0 | | | | \$0 |
| Rebudget: Rosegarden Branch | | | \$75,000 | (\$75,000) | \$0 | | | | \$0 |
| Rebudget: Southeast Branch | | | \$1,000 | (\$1,000) | \$0 | | | | \$0 |
| Rebudget: Tully Road Branch | | | \$715,000 | (\$715,000) | \$0 | | | | \$0 |
| Rebudget: Vineland Branch Library | | | (\$37,000) | \$37,000 | \$0 | | | | \$0 |
| Total for Fund 472 | | | \$133,000 | \$645,659 | \$778,659 | \$0 | \$778,659 | \$0 | |
| Neighborhood Security Bond Fund (475) | | | | | | | | | |
| Public Safety Capital Program | | | | | | | | | |
| Fund Balance Reconciliation | | | | \$3,340,743 | \$3,340,743 | | \$3,340,743 | | \$0 |
| Rebudget: Fire Station 12 - Relocation (Calero) | | | (\$6,000) | \$6,000 | \$0 | | | | \$0 |
| Rebudget: Fire Station 34 Berryessa | | | (\$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 | |
| Neighborhood Security Bond Fund (475) | | | | | | | | |
| Public Safety Capital Program | | | | | | | | |
| Rebudget: Fire Station 35 Cottle/Poughkeepsie | | | (\$19,000) | \$19,000 | \$0 | | | \$0 |
| Rebudget: Fire Station Upgrades | | | \$195,000 | (\$195,000) | \$0 | | | \$0 |
| Rebudget: Fire Training Center | | | \$41,000 | (\$41,000) | \$0 | | | \$0 |
| Rebudget: Land Acquisition - Fire Stations | | | \$968,000 | (\$968,000) | \$0 | | | \$0 |
| Rebudget: North/Central Community Policing Center | | | (\$38,000) | \$38,000 | \$0 | | | \$0 |
| Rebudget: Public Art - Fire Bond Projects | | | \$514,000 | (\$514,000) | \$0 | | | \$0 |
| Rebudget: South San Jose Substation | | | \$1,138,000 | (\$1,138,000) | \$0 | | | \$0 |
| Rebudget: West San Jose Community Policing Center | | | \$4,000 | (\$4,000) | \$0 | | | \$0 |
| Total for Fund 475 | | | \$2,779,000 | \$561,743 | \$3,340,743 | \$0 | \$3,340,743 | \$0 |
| CITY HALL REN CONST FUND (485) | | | | | | | | |
| Muni Improvements Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$135,818 | \$135,818 | | \$135,818 | \$0 |
| Rebudget: City Hall Renovation Construction Project | | | \$135,000 | (\$135,000) | \$0 | | | \$0 |
| Total for Fund 485 | | | \$135,000 | \$818 | \$135,818 | \$0 | \$135,818 | \$0 |
| WATER UTILITY CAPITAL FD (500) | | | | | | | | |
| Water Utility Sys Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,116,542 | \$1,116,542 | | \$1,116,542 | \$0 |
| Rebudget: Edenvale Reservoir Site Improvements | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Rebudget: North Coyote Valley Water System | | | \$1,012,000 | (\$1,012,000) | \$0 | | | \$0 |
| Rebudget: Service Installations | | | \$75,000 | (\$75,000) | \$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 | |
| WATER UTILITY CAPITAL FD (500) | | | | | | | | |
| Total for Fund 500 | | | \$1,077,000 | \$39,542 | \$1,116,542 | \$0 | \$1,116,542 | \$0 |
| MUNI WATER MAJOR FAC FEE (502) | | | | | | | | |
| Water Utility Sys Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | \$103,655 | \$103,655 | | \$103,655 | \$0 |
| Rebudget: Edenvale Well #4 | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Total for Fund 502 | | | (\$3,000) | \$106,655 | \$103,655 | \$0 | \$103,655 | \$0 |
| SJ-SC TRMNT PLANT CAP FD (512) | | | | | | | | |
| Water Pollution Capital Pgm | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$11,413,004) | (\$11,413,004) | | (\$11,413,004) | \$0 |
| Rebudget: Land Acquisition and Improvements | | | (\$13,501,000) | \$13,501,000 | \$0 | | | \$0 |
| Rebudget: Plant Electrical Reliability | | | (\$335,000) | \$335,000 | \$0 | | | \$0 |
| Rebudget: Revised SBAP - SBWR Extension | | | (\$3,190,000) | \$3,190,000 | \$0 | | | \$0 |
| Rebudget: South Bay Water Recycling Program | | | (\$2,000) | \$2,000 | \$0 | | | \$0 |
| Total for Fund 512 | | | (\$17,028,000) | \$5,614,996 | (\$11,413,004) | \$0 | (\$11,413,004) | \$0 |
| SJ-SC TRMNT PLANT OPER FD (513) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$6,337,610 | \$6,337,610 | | \$6,337,610 | \$0 |
| Total for Fund 513 | | | | \$6,337,610 | \$6,337,610 | \$0 | \$6,337,610 | \$0 |
| SJ-SC TRMNT PLNT INC FD (514) | | | | | | | | |

**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 | |
| SJ-SC TRTMNT PLNT INC FD (514) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$42,093 | \$42,093 | | \$42,093 | \$0 |
| Total for Fund 514 | | | | \$42,093 | \$42,093 | \$0 | \$42,093 | \$0 |
| CONSOL WATER UTILITY FD (515) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$865,450 | \$865,450 | | \$865,450 | \$0 |
| Total for Fund 515 | | | | \$865,450 | \$865,450 | \$0 | \$865,450 | \$0 |
| MUNICIPAL GOLF COURSE FD (518) | | | | | | | | |
| CAE | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$341,359) | (\$341,359) | | (\$341,359) | \$0 |
| Total for Fund 518 | | | | (\$341,359) | (\$341,359) | \$0 | (\$341,359) | \$0 |
| CUSTOMER FACIL & TRANSP (519) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$116,870) | (\$116,870) | | (\$116,870) | \$0 |
| Total for Fund 519 | | | | (\$116,870) | (\$116,870) | \$0 | (\$116,870) | \$0 |
| AIRPORT CAPITAL IMPVT FD (520) | | | | | | | | |

200



**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 | |
| AIRPORT CAPITAL IMPVT FD (520) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$3,829,046 | \$3,829,046 | | \$3,829,046 | \$0 |
| Rebudget: Noise Attenuation - Category 1 | | | \$802,000 | (\$802,000) | \$0 | | | \$0 |
| Rebudget: Noise Attenuation - Category 1B | | | \$1,232,000 | (\$1,232,000) | \$0 | | | \$0 |
| Rebudget: Noise Attenuation - Schools | | | \$218,000 | (\$218,000) | \$0 | | | \$0 |
| Total for Fund 520 | | | \$2,252,000 | \$1,577,046 | \$3,829,046 | \$0 | \$3,829,046 | \$0 |
| AIRPORT REVENUE FUND (521) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Fund Balance Reconciliation - Res for Master Trust Agrmt | | | \$5,722,594 | | \$5,722,594 | | \$5,722,594 | \$0 |
| Total for Fund 521 | | | \$5,722,594 | | \$5,722,594 | \$0 | \$5,722,594 | \$0 |
| AIRPORT MAINT & OPER FD (523) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Fund Balance Reconciliation - Res for Self Insurance | | | \$499,690 | | \$499,690 | | \$499,690 | \$0 |
| Fund Balance Reconciliation - Res for Worker's Comp Claims | | | (\$203,382) | | (\$203,382) | | (\$203,382) | \$0 |
| Fund Balance Reconciliation - Res per Master Trust Agrmt | | | \$1,294,515 | | \$1,294,515 | | \$1,294,515 | \$0 |
| Salary Program | (\$86,624) | | | | (\$86,624) | | | (\$86,624) |
| Salary Program - Return to Operating Reserve | | | \$86,624 | | \$86,624 | | | \$86,624 |
| Total for Fund 523 | (\$86,624) | | \$1,677,447 | | \$1,590,823 | \$0 | \$1,590,823 | \$0 |
| AIRPORT SURPLUS REVENUE FD (524) | | | | | | | | |

**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 | |
| AIRPORT SURPLUS REVENUE FD (524) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Fund Balance Reconciliation - Res for Future Capital Projects | | | \$1,365,909 | | \$1,365,909 | | \$1,365,909 | \$0 |
| Total for Fund 524 | | | \$1,365,909 | | \$1,365,909 | \$0 | \$1,365,909 | \$0 |
| AIRPORT FISCAL AGENT FD P&I (525) | | | | | | | | |
| AIRPORT | | | | | | | | |
| Fund Balance Reconciliation - Res per Master Trust Agrmt | | | | (\$3,213,967) | (\$3,213,967) | | (\$3,213,967) | \$0 |
| Total for Fund 525 | | | | (\$3,213,967) | (\$3,213,967) | \$0 | (\$3,213,967) | \$0 |
| AIRPORT REV BOND IMP FD (526) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$6,666,418 | \$6,666,418 | | \$6,666,418 | \$0 |
| Rebudget: Cargo Ramp Security & Taxiway Improvement | | | (\$163,000) | \$163,000 | \$0 | | | \$0 |
| Rebudget: Central Plant Expansion | | | \$128,000 | (\$128,000) | \$0 | | | \$0 |
| Rebudget: Elements of the Master Plan Studies | | | \$207,000 | (\$207,000) | \$0 | | | \$0 |
| Rebudget: Extend and Strengthen Runway 30L | | | \$70,000 | (\$70,000) | \$0 | | | \$0 |
| Rebudget: Gate A1-C Relocation | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Rebudget: North Concourse Building | | | \$13,000 | (\$13,000) | \$0 | | | \$0 |
| Rebudget: North Concourse Site Facility Relocation | | | \$45,000 | (\$45,000) | \$0 | | | \$0 |
| Total for Fund 526 | | | \$350,000 | \$6,316,418 | \$6,666,418 | \$0 | \$6,666,418 | \$0 |
| AIRPORT RENEW & REPL FD (527) | | | | | | | | |

202



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 | |
| AIRPORT RENEW & REPL FD (527) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,032,032 | \$1,032,032 | | \$1,032,032 | \$0 |
| Rebudget: Alternative Fueling Station | | | (\$19,000) | \$19,000 | \$0 | | | \$0 |
| Rebudget: Battery Recharge Stations | | | (\$3,000) | \$3,000 | \$0 | | | \$0 |
| Rebudget: Elements of the Master Plan Studies | | | \$27,000 | (\$27,000) | \$0 | | | \$0 |
| Rebudget: Equipment Operating | | | \$73,000 | (\$73,000) | \$0 | | | \$0 |
| Rebudget: Food and Beverage Service Contract | | | \$231,000 | (\$231,000) | \$0 | | | \$0 |
| Rebudget: Land Improvements | | | \$26,000 | (\$26,000) | \$0 | | | \$0 |
| Rebudget: Pavement Maintenance | | | \$64,000 | (\$64,000) | \$0 | | | \$0 |
| Rebudget: Remote Transmitter Receiver Relocation | | | \$28,000 | (\$28,000) | \$0 | | | \$0 |
| Total for Fund 527 | | | \$427,000 | \$605,032 | \$1,032,032 | \$0 | \$1,032,032 | \$0 |
| AIRPORT PASS FACIL CHG FD (529) | | | | | | | | |
| Airport Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$367,666) | (\$367,666) | | (\$367,666) | \$0 |
| Rebudget: Federal Inspection Service Facility | | | \$59,000 | (\$59,000) | \$0 | | | \$0 |
| Rebudget: Noise Attenuation | | | (\$876,000) | \$876,000 | \$0 | | | \$0 |
| Rebudget: Noise Attenuation - Schools | | | (\$242,000) | \$242,000 | \$0 | | | \$0 |
| Rebudget: Noise Attenuation Treatment - Category 1B | | | (\$671,000) | \$671,000 | \$0 | | | \$0 |
| Rebudget: Security System Upgrades | | | \$215,000 | (\$215,000) | \$0 | | | \$0 |
| Rebudget: Skyport Grade Separation | | | (\$68,000) | \$68,000 | \$0 | | | \$0 |
| Rebudget: Terminal Drive Improvement | | | (\$19,000) | \$19,000 | \$0 | | | \$0 |
| Total for Fund 529 | | | (\$1,602,000) | \$1,234,334 | (\$367,666) | \$0 | (\$367,666) | \$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 | |
| GENERAL PURPOSE PARKING FD (533) | | | | | | | | |
| TRANSPORTATION | | | | | | | | |
| Fund Balance Reconciliation | | | | \$1,486,429 | \$1,486,429 | | \$1,486,429 | \$0 |
| Parking Capital Program | | | | | | | | |
| Rebudget: 3rd Street Garage Seismic Upgrades | | | \$21,000 | (\$21,000) | \$0 | | | \$0 |
| Rebudget: Revenue Control Equipment | | | (\$10,000) | \$10,000 | \$0 | | | \$0 |
| Total for Fund 533 | | | \$11,000 | \$1,475,429 | \$1,486,429 | \$0 | \$1,486,429 | \$0 |
| CONV/CULTL FACIL FD (536) | | | | | | | | |
| CAE | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$626,810) | (\$626,810) | | (\$626,810) | \$0 |
| Rebudget: Transfer from Transient Occupancy Tax Fund | | | | \$1,314,955 | \$1,314,955 | \$1,314,955 | | \$0 |
| Total for Fund 536 | | | | \$688,145 | \$688,145 | \$1,314,955 | (\$626,810) | \$0 |
| SEWAGE TRTMNT PLNT CONN FD (539) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$424,070 | \$424,070 | | \$424,070 | \$0 |
| Total for Fund 539 | | | | \$424,070 | \$424,070 | \$0 | \$424,070 | \$0 |
| SANITARY SEWER CONN FEE FD (540) | | | | | | | | |
| Sanitary Sewer Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$4,335,573 | \$4,335,573 | | \$4,335,573 | \$0 |
| Rebudget: 4th Interceptor | | | \$29,000 | (\$29,000) | \$0 | | | \$0 |
| Rebudget: Edenvale Sanitary Supplement, Phase V | | | \$118,000 | (\$118,000) | \$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 | |
| SANITARY SEWER CONN FEE FD (540) | | | | | | | | |
| Sanitary Sewer Capital Program | | | | | | | | |
| Rebudget: Infiltration Reduction | | | \$1,966,000 | (\$1,966,000) | \$0 | | | \$0 |
| Rebudget: Miscellaneous Projects | | | \$395,000 | (\$395,000) | \$0 | | | \$0 |
| Rebudget: Monterey-Riverside Supplement | | | (\$45,000) | \$45,000 | \$0 | | | \$0 |
| Rebudget: Monterey-Riverside Sewer | | | \$20,000 | (\$20,000) | \$0 | | | \$0 |
| Rebudget: San Tomas Expressway Trunk | | | \$263,000 | (\$263,000) | \$0 | | | \$0 |
| Total for Fund 540 | | | \$2,746,000 | \$1,589,573 | \$4,335,573 | \$0 | \$4,335,573 | \$0 |
| SEWER SVC & USE CHARGE FD (541) | | | | | | | | |
| ENVIRON SVCS | | | | | | | | |
| Fund Balance Reconciliation | | | | \$2,145,097 | \$2,145,097 | | \$2,145,097 | \$0 |
| Total for Fund 541 | | | | \$2,145,097 | \$2,145,097 | \$0 | \$2,145,097 | \$0 |
| SEWER SVC & USE CHG CAP (545) | | | | | | | | |
| Sanitary Sewer Capital Program | | | | | | | | |
| Fund Balance Reconciliation | | | | \$5,651,820 | \$5,651,820 | | \$5,651,820 | \$0 |
| Rebudget: 4th Interceptor | | | \$141,000 | (\$141,000) | \$0 | | | \$0 |
| Rebudget: 60" Brick Interceptor Rehabilitation | | | \$359,000 | (\$359,000) | \$0 | | | \$0 |
| Rebudget: 60" Reinforced Concrete Pipe | | | \$43,000 | (\$43,000) | \$0 | | | \$0 |
| Rebudget: East San Jose | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Rebudget: Evergreen Sewer | | | \$12,000 | (\$12,000) | \$0 | | | \$0 |
| Rebudget: Forest-Rosa Sewer | | | \$50,000 | (\$50,000) | \$0 | | | \$0 |
| Rebudget: Forest-Rosa Supplement | | | (\$7,000) | \$7,000 | \$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 | |
| SEWER SVC & USE CHG CAP (545) | | | | | | | | |
| Sanitary Sewer Capital Program | | | | | | | | |
| Rebudget: Fourth Ward Area | | | (\$7,000) | \$7,000 | \$0 | | | \$0 |
| Rebudget: Hester-Naglee Area | | | \$22,000 | (\$22,000) | \$0 | | | \$0 |
| Rebudget: Miscellaneous Rehabilitation Projects | | | \$2,793,000 | (\$2,793,000) | \$0 | | | \$0 |
| Rebudget: Monterey-Riverside Sewer | | | \$55,000 | (\$55,000) | \$0 | | | \$0 |
| Rebudget: Rosemary Area | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: San Tomas Aquino Creek Trunk Sewer | | | \$541,000 | (\$541,000) | \$0 | | | \$0 |
| Rebudget: Taylor St. Brick Sewer | | | \$10,000 | (\$10,000) | \$0 | | | \$0 |
| Rebudget: Third Ward Area | | | (\$7,000) | \$7,000 | \$0 | | | \$0 |
| Rebudget: Trimble-Morrill Sewer | | | \$339,000 | (\$339,000) | \$0 | | | \$0 |
| Total for Fund 545 | | | \$4,404,000 | \$1,247,820 | \$5,651,820 | \$0 | \$5,651,820 | \$0 |
| STORES FUND (551) | | | | | | | | |
| GENERAL SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | (\$490,290) | (\$490,290) | | (\$490,290) | \$0 |
| Total for Fund 551 | | | | (\$490,290) | (\$490,290) | \$0 | (\$490,290) | \$0 |
| VEHICLE MAINT & OPER FD (552) | | | | | | | | |
| GENERAL SERVICES | | | | | | | | |
| Fund Balance Reconciliation | | | | \$357,183 | \$357,183 | | \$357,183 | \$0 |
| Rebudget: Vehicle Replacement | | | \$600,000 | | \$600,000 | \$600,000 | | \$0 |
| Technical Adjustment: Non-Personal/Equipment | | | (\$14,073) | | (\$14,073) | (\$14,073) | | \$0 |
| Transfers | | | (\$14,073) | \$14,073 | \$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 | |
| VEHICLE MAINT & OPER FD (552) | | | | | | | | |
| Total for Fund 552 | | (\$14,073) | \$585,927 | \$371,256 | \$943,110 | \$585,927 | \$357,183 | \$0 |



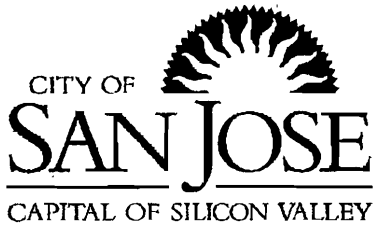
2002-2003

ANNUAL

REPORT

IV. FINANCIAL STATEMENTS

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FINANCE DEPARTMENT
Monthly Financial Report

Financial Results for the 12 Months Ended June 30, 2003
Fiscal Year 2002-03



Finance Department, City of San José
Monthly Financial Report
Financial Results for the 12 Months Ended June 30, 2003
Fiscal Year 2002-03

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Finance Department, City of San José
Monthly Financial Report
Financial Results for the 12 Months Ended June 30, 2003
Fiscal Year 2002-03

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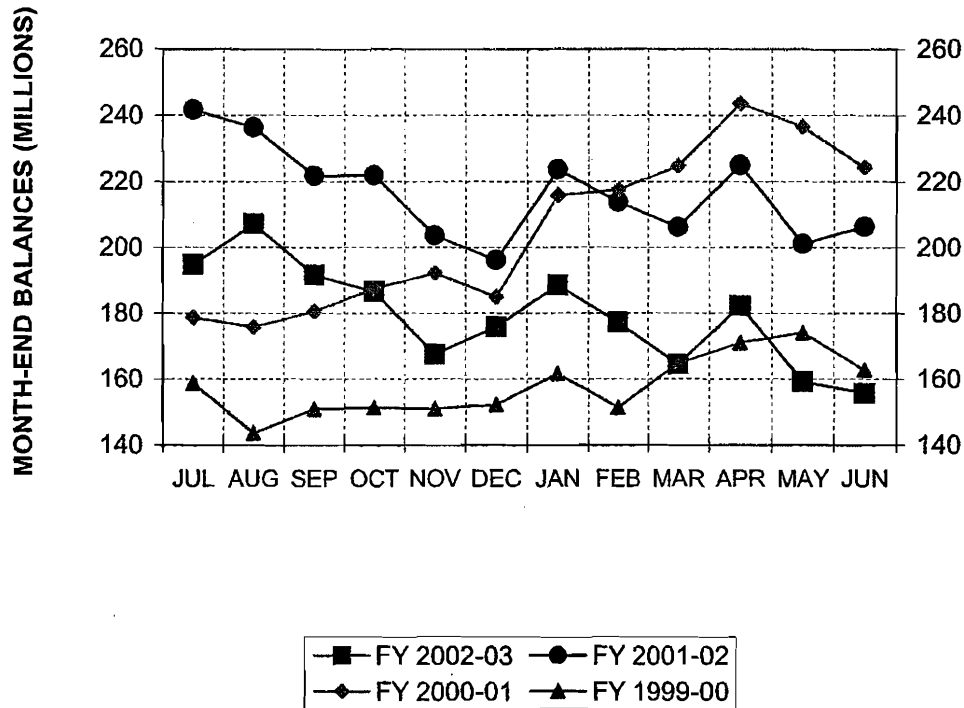
Other Fund Types

Schedule of Sources and Uses of Funds..... 16

Submitted by:


SCOTT P. JOHNSON
Director, Finance Department

GENERAL FUND Comparison of YTD Cash Balances

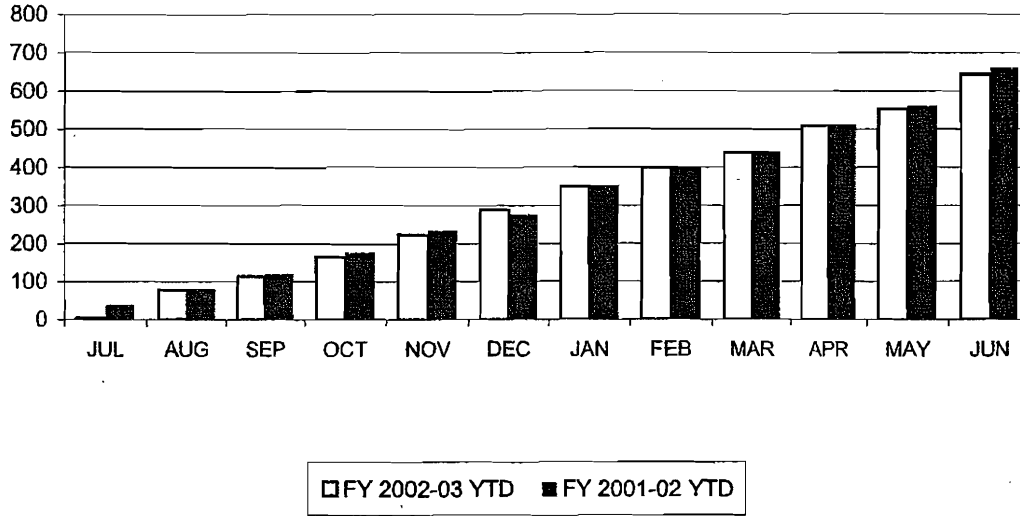


GENERAL FUND MONTHLY CASH BALANCES

| MONTH | FY 2002-03 | FY 2001-02 | FY 2000-01 | FY 1999-00 |
|-----------|----------------|----------------|----------------|----------------|
| JULY | \$ 194,717,774 | \$ 241,784,775 | \$ 178,744,333 | \$ 158,777,282 |
| AUGUST | 207,161,562 | 236,385,249 | 175,865,630 | 143,623,822 |
| SEPTEMBER | 191,622,240 | 221,699,865 | 180,548,273 | 150,910,258 |
| OCTOBER | 186,563,006 | 221,931,916 | 187,583,334 | 151,343,657 |
| NOVEMBER | 167,575,264 | 203,666,150 | 192,281,513 | 150,981,108 |
| DECEMBER | 175,965,144 | 196,194,488 | 185,075,533 | 152,198,763 |
| JANUARY | 188,578,527 | 223,666,133 | 215,858,561 | 161,634,779 |
| FEBRUARY | 177,241,212 | 213,866,578 | 217,544,562 | 151,321,646 |
| MARCH | 164,511,913 | 206,211,203 | 224,713,611 | 164,725,908 |
| APRIL | 182,320,422 | 225,096,951 | 243,615,280 | 171,108,942 |
| MAY | 159,281,158 | 201,199,156 | 236,569,622 | 174,170,572 |
| JUNE | 155,673,327 | 206,390,333 | 224,390,904 | 162,775,499 |

GENERAL FUND
Comparison of YTD Revenues
Actual

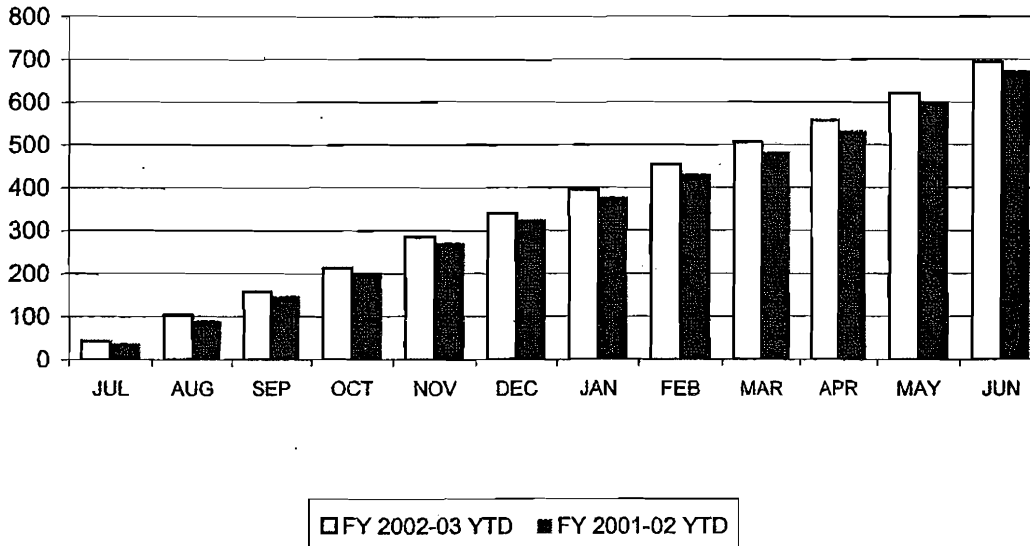
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

GENERAL FUND
Comparison of YTD Expenditures
Actual

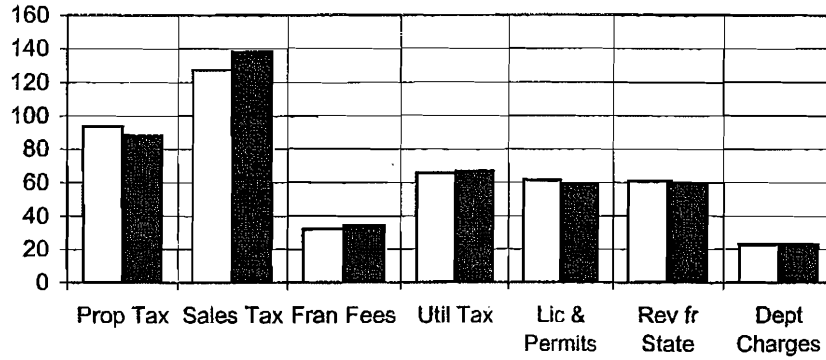
YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual
For the 12 Months Ended June 30, 2003

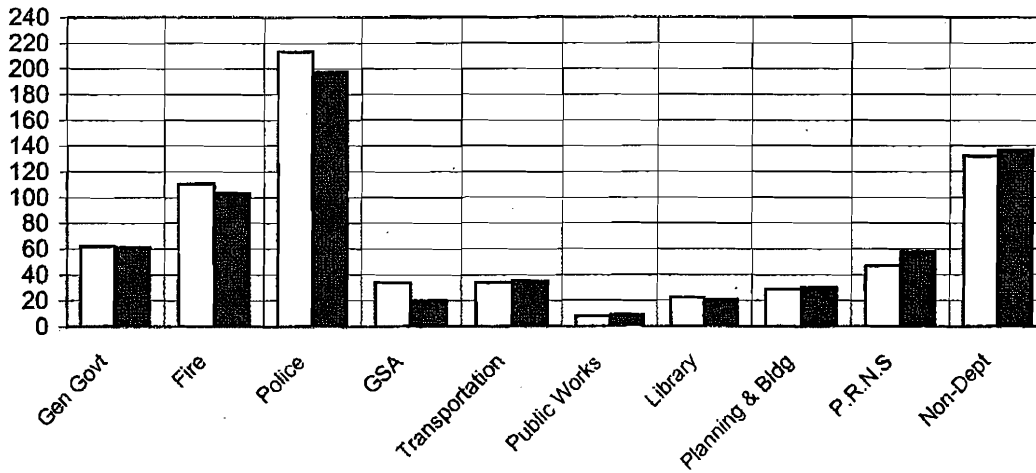
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual
For the 12 Months Ended June 30, 2003

YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$'000's)

| | ADOPTED FY 2002-03 BUDGET | YTD BUDGET AMENDMENTS | C/O ENCUMBR | REVISED FY 2002-03 BUDGET | CUR YTD BUDGETARY BASIS ACTUAL | CUR YTD ACTUAL % OF BUDGET | PRIOR YTD ACTUAL | PRIOR YTD % OF PRIOR YEAR-END ACTUAL | PRIOR YEAR-END ACTUAL | CUR YTD LESS PRIOR YTD ACTUAL | % CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL |
|--|---------------------------------|-----------------------------|----------------|---------------------------------|---|----------------------------------|------------------------|---|-----------------------------|-------------------------------------|--|
| Fund Balance | | | | | | | | | | | |
| Prior Year Encumbrances | \$ - | - | 41,516 | 41,516 | 45,389 | 109.33% | 33,801 | 100.00% | 33,801 | 11,588 | 34.28% |
| Liquidation of c/o Encumbrance | - | - | - | - | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Available Balance | 162,195 | 28,476 | - | 190,671 | 190,671 | 100.00% | 215,519 | 100.00% | 215,519 | (24,848) | -11.53% |
| Total Fund Balance | 162,195 | 28,476 | 41,516 | 232,187 | 236,060 | 101.67% | 249,320 | 100.00% | 249,320 | (13,260) | -5.32% |
| General Revenues | | | | | | | | | | | |
| Property Tax | 86,278 | 5,166 | - | 91,444 | 93,592 | 102.35% | 88,286 | 100.00% | 88,286 | 5,306 | 6.01% |
| Sales Tax | 148,848 | (14,570) | - | 134,279 | 127,457 | 94.92% | 138,058 | 100.00% | 138,058 | (10,602) | -7.68% |
| Transient Occupancy Tax | 8,400 | (1,700) | - | 6,700 | 5,800 | 86.57% | 6,819 | 99.99% | 6,819 | (1,019) | -14.94% |
| Franchise Fees | 33,857 | (2,103) | - | 31,754 | 32,092 | 101.06% | 34,432 | 100.00% | 34,432 | (2,340) | -6.80% |
| Utility Tax | 70,673 | (5,245) | - | 65,429 | 65,785 | 100.54% | 66,889 | 100.00% | 66,889 | (1,105) | -1.65% |
| Licenses and Permits | 62,459 | (1,754) | - | 60,706 | 61,407 | 101.16% | 59,272 | 100.00% | 59,272 | 2,135 | 3.60% |
| Fines, Forfeits and Penalties | 11,076 | 440 | - | 11,516 | 12,254 | 106.41% | 11,537 | 100.00% | 11,537 | 717 | 6.21% |
| Use of Money and Property | 13,095 | (1,887) | - | 11,208 | 11,975 | 106.84% | 18,952 | 100.00% | 18,952 | (6,977) | -36.81% |
| Revenue from Local Agencies | 39,272 | 4,089 | - | 43,361 | 43,009 | 99.19% | 47,141 | 100.00% | 47,141 | (4,132) | -8.77% |
| Revenue from State of Cal. | 58,204 | 820 | - | 59,024 | 60,808 | 103.02% | 60,522 | 100.00% | 60,522 | 286 | 0.47% |
| Revenue from Federal Government | 1,776 | 924 | - | 2,700 | 2,291 | 84.85% | 3,519 | 100.00% | 3,519 | (1,228) | -34.90% |
| Departmental Charges (Note 1) | 20,529 | 2,960 | - | 23,489 | 22,845 | 97.26% | 23,460 | 100.00% | 23,460 | (615) | -2.62% |
| Other Revenues | 14,495 | (2,774) | - | 11,721 | 11,865 | 101.22% | 24,515 | 100.00% | 24,515 | (12,651) | -51.60% |
| Total General Revenues | 588,962 | (15,633) | - | 553,329 | 551,178 | 99.81% | 583,404 | 100.00% | 583,404 | (32,226) | -5.52% |
| Transfers & Reimbursements | | | | | | | | | | | |
| Overhead Reimbursements | 29,710 | 27 | - | 29,737 | 33,700 | 113.33% | 30,770 | 100.00% | 30,770 | 2,930 | 9.52% |
| Transfers from Other Funds | 18,076 | 19,803 | - | 37,879 | 40,723 | 107.51% | 27,590 | 100.00% | 27,590 | 13,133 | 47.60% |
| Reimbursements for Services | 18,235 | 29 | - | 18,264 | 17,913 | 98.08% | 18,912 | 100.00% | 18,912 | (999) | -5.28% |
| Total Transfers & Reimburse | 66,021 | 19,859 | - | 85,880 | 92,336 | 107.52% | 77,272 | 100.00% | 77,272 | 15,064 | 19.49% |
| Total Sources | \$ 797,178 | 32,702 | 41,516 | 871,396 | 879,574 | 100.94% | 909,996 | 100.00% | 909,996 | (30,422) | -3.34% |

Note 1 - See Supplemental Schedule on Page 7

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

| | ADOPTED | YTD | C/O | REVISED | YEAR-TO-DATE | | CUR YTD | PRIOR | PRIOR YTD % | PRIOR | CUR YTD LESS | % CHANGE | |
|----------------------------------|----------------|---------------|--------------|----------------|----------------|--------------|---------------|----------------|----------------|----------------|---------------|---------------|-----------------------|
| | FY 2002-03 | BUDGET | | FY 2002-03 | ACTUAL | ENCUMBR | ACTUAL % | YTD | OF PRIOR | YEAR-END | YEAR-END | PRIOR YTD | CUR YTD ACTUAL |
| | BUDGET | AMENDMENTS | | BUDGET | ACTUAL | ENCUMBR | OF BUDGET | ACTUAL(1) | ACTUAL | ACTUAL | ACTUAL | ACTUAL(1) | LESS PRIOR YTD ACTUAL |
| General Government | | | | | | | | | | | | | |
| Mayor and Council | \$ 7,602 | (2) | 27 | 7,627 | 6,143 | 16 | 80.54% | 5,691 | 100.00% | 5,748 | 452 | 7.94% | |
| City Attorney | 11,150 | (4) | 1,083 | 12,229 | 10,401 | 1,492 | 85.05% | 10,728 | 100.00% | 11,819 | (327) | -3.05% | |
| City Auditor | 2,385 | (54) | 12 | 2,343 | 2,226 | 12 | 95.01% | 2,260 | 100.00% | 2,275 | (34) | -1.50% | |
| City Clerk | 1,529 | 89 | 1 | 1,619 | 1,616 | 1 | 99.81% | 1,577 | 100.00% | 1,581 | 39 | 2.47% | |
| City Manager (2) | 6,912 | (62) | 22 | 6,872 | 6,420 | 239 | 93.42% | 7,209 | 99.97% | 7,452 | (789) | -10.94% | |
| Housing | 281 | (281) | - | - | - | - | 0.00% | - | 0.00% | - | - | 0.00% | |
| Finance (3) | 8,367 | (237) | 242 | 8,372 | 7,885 | 173 | 94.18% | 7,455 | 100.34% | 7,702 | 430 | 5.77% | |
| Information Technology | 17,414 | (142) | 290 | 17,562 | 15,594 | 399 | 88.79% | 15,252 | 100.00% | 15,841 | 342 | 2.24% | |
| Employee Services (3) | 7,335 | (36) | 76 | 7,375 | 6,988 | 285 | 94.75% | 6,803 | 99.63% | 7,011 | 185 | 2.72% | |
| Redevelopment Agency | 1,770 | 23 | - | 1,793 | 1,793 | - | 100.00% | 1,578 | 100.00% | 1,578 | 215 | 13.62% | |
| Planning Commission | 37 | - | - | 37 | 36 | - | 97.30% | 38 | 100.00% | 38 | (2) | -5.26% | |
| Civil Service Commission | 23 | - | - | 23 | 22 | - | 95.65% | 19 | 100.00% | 19 | 3 | 15.79% | |
| Independent Police Auditor | 648 | 2 | 5 | 655 | 628 | 5 | 95.88% | 590 | 100.00% | 595 | 38 | 6.44% | |
| Office of Economic Development | 2,042 | 91 | 3 | 2,136 | 1,828 | 170 | 85.58% | 2,073 | 100.00% | 2,076 | (245) | -11.82% | |
| Office of Emergency Services | 348 | 3 | 5 | 356 | 352 | 2 | 98.88% | 320 | 100.00% | 325 | 32 | 10.00% | |
| Total General Government | 67,843 | (609) | 1,766 | 69,000 | 61,932 | 2,774 | 89.76% | 61,593 | 100.00% | 63,860 | 339 | 0.55% | |
| Public Safety | | | | | | | | | | | | | |
| Fire | 108,217 | 2,834 | 575 | 111,626 | 110,474 | 318 | 98.97% | 103,277 | 100.00% | 103,990 | 7,197 | 6.97% | |
| Police | 216,394 | 297 | 1,055 | 217,746 | 213,271 | 1,923 | 97.94% | 197,304 | 100.00% | 198,650 | 15,967 | 8.09% | |
| Total Public Safety | 324,611 | 3,131 | 1,630 | 329,372 | 323,745 | 2,241 | 98.29% | 300,581 | 100.00% | 302,640 | 23,164 | 7.71% | |
| Capital Maintenance | | | | | | | | | | | | | |
| General Services | 21,814 | 13,350 | 441 | 35,605 | 34,311 | 299 | 96.37% | 20,197 | 100.00% | 20,798 | 14,114 | 69.88% | |
| Transportation | 35,041 | (284) | 1,166 | 35,923 | 34,069 | 1,360 | 94.84% | 35,075 | 100.00% | 36,368 | (1,006) | -2.87% | |
| Public Works (2) | 8,896 | (758) | 223 | 8,361 | 7,934 | 296 | 94.89% | 9,072 | 100.02% | 9,409 | (1,138) | -12.54% | |
| Total Capital Maintenance | 65,751 | 12,308 | 1,830 | 79,889 | 76,314 | 1,955 | 95.53% | 64,344 | 100.00% | 66,575 | 11,970 | 18.60% | |

(1) Does not include encumbrance balance.

(2) Prior YTD and Year-End actual amounts reflect the realignment of Contract Compliance from Office of Equality Assurance to Public Works and Civil Services from Office of Equality Assurance to City Manager.

(3) Prior YTD and Year-End actual amounts reflect the realignment of Worker's Compensation from Finance to Employee Services.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

| | ADOPTED | YTD | C/O | REVISED | CUR YTD | | PRIOR | PRIOR YTD % | PRIOR | CUR YTD LESS | % CHANGE | |
|----------------------------------|------------|------------|--------|--------------|----------|-----------|-----------|-------------|----------|--------------|----------------|---------|
| | FY 2002-03 | BUDGET | | FY 2002-03 | ACTUAL % | YTD | OF PRIOR | YEAR-END | YEAR-END | | | |
| | BUDGET | AMENDMENTS | | BUDGET | ACTUAL | ENCUMBR | YEAR-END | ACTUAL | ACTUAL | | | |
| | | | | YEAR-TO-DATE | | | | | | | | |
| | | | | ACTUAL | ENCUMBR | OF BUDGET | ACTUAL(1) | ACTUAL | ACTUAL | PRIOR YTD | LESS PRIOR YTD | |
| | | | | | | | | | | ACTUAL | ACTUAL | |
| Community Service | | | | | | | | | | | | |
| Library | 22,441 | 218 | 338 | 22,997 | 22,417 | 272 | 97.48% | 21,173 | 100.00% | 21,538 | 1,244 | 5.88% |
| Planning, Bldg & Code Enf. | 31,144 | (254) | 763 | 31,653 | 29,117 | 453 | 91.99% | 30,162 | 100.00% | 30,974 | (1,045) | -3.46% |
| Park, Rec & Neigh Svcs (2) | 62,581 | (13,964) | 1,643 | 50,260 | 46,960 | 1,963 | 93.43% | 57,856 | 97.98% | 62,809 | (10,896) | -18.83% |
| Environmental Services | 1,756 | 19 | 137 | 1,912 | 1,420 | 371 | 74.27% | 1,673 | 100.00% | 2,162 | (253) | -15.12% |
| Total Community Services | 117,922 | (13,981) | 2,881 | 106,822 | 99,914 | 3,059 | 93.53% | 110,864 | 98.84% | 117,483 | (10,950) | -9.88% |
| Total Dept. Expenditures | \$ 576,127 | 849 | 8,107 | 585,083 | 561,905 | 10,029 | 96.04% | 537,382 | 99.78% | 550,558 | 24,523 | 4.56% |
| Non-Dept Expenditures | | | | | | | | | | | | |
| City-wide Expenditures: | | | | | | | | | | | | |
| Econ & Neighborhood Develop. | \$ 17,614 | 734 | 2,157 | 20,505 | 17,313 | 1,145 | 84.43% | 18,611 | 100.00% | 20,772 | (1,298) | -6.97% |
| Environmental & Utility Services | 872 | - | 298 | 1,170 | 434 | 623 | 37.09% | 1,340 | 100.00% | 1,706 | (906) | -67.61% |
| Public Safety | 5,412 | 2,314 | 313 | 8,039 | 3,423 | 976 | 42.58% | 7,768 | 100.00% | 8,083 | (4,345) | -55.93% |
| Recreation & Cultural Services | 26,903 | 4,951 | 3,834 | 35,688 | 28,163 | 3,551 | 73.31% | 25,791 | 104.84% | 27,906 | 372 | 1.44% |
| Transportation Services | 2,504 | 114 | 84 | 2,702 | 2,356 | 101 | 87.19% | 2,388 | 100.00% | 2,491 | (32) | -1.34% |
| Strategic Support | 38,947 | 12,283 | 826 | 52,056 | 40,283 | 1,564 | 77.38% | 33,356 | 100.00% | 34,353 | 6,927 | 20.77% |
| Total City-wide Expenditures | 92,252 | 20,398 | 7,512 | 120,160 | 89,972 | 7,960 | 74.88% | 89,254 | 101.35% | 95,311 | 718 | 0.80% |
| Capital Expenditures | 37,122 | (362) | 25,897 | 62,657 | 35,233 | 8,206 | 56.23% | 34,788 | 100.00% | 60,944 | 445 | 1.28% |
| Transfers to Other Funds | 6,007 | 824 | - | 6,831 | 6,696 | - | 98.02% | 12,512 | 100.00% | 12,512 | (5,816) | -46.48% |
| Total Non-Dept Expenditures | 135,381 | 20,858 | 33,409 | 189,648 | 131,901 | 16,166 | 69.55% | 136,554 | 100.88% | 168,767 | (4,653) | -3.41% |
| Reserves | | | | | | | | | | | | |
| Contingency Reserves | 24,549 | (855) | - | 23,694 | - | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Earmarked Reserves | 61,121 | 11,850 | - | 72,971 | - | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Total Reserves | 85,670 | 10,995 | - | 96,665 | - | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Total Uses | \$ 797,178 | 32,702 | 41,516 | 871,396 | 693,806 | 26,195 | 79.62% | 673,936 | 100.00% | 719,325 | 19,870 | 2.95% |

(1) Does not include encumbrance balance.

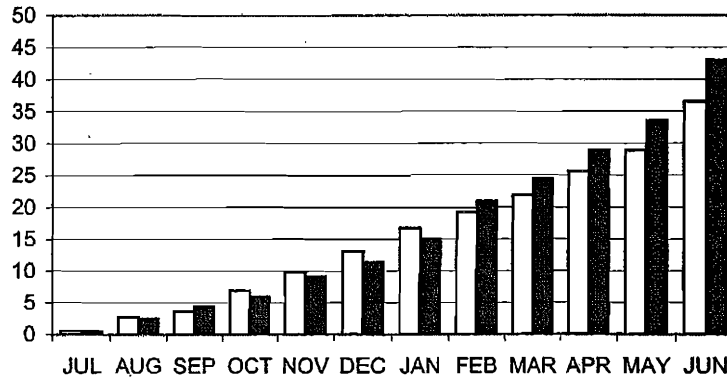
(2) Prior and current YTD actual amounts for PRNS reflect the realignment of Regional Parks from CAE to PRNS.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)**

| | ADOPTED FY 2002-03 BUDGET | YTD BUDGET AMENDMENTS | C/O ENCUMBR | REVISED FY 2002-03 BUDGET | CUR YTD ACTUAL | CUR YTD ACTUAL % OF BUDGET | PRIOR YTD ACTUAL | PRIOR YTD % OF PRIOR YEAR-END ACTUAL | PRIOR YEAR-END BUDGETARY BASIS ACTUAL | CUR YTD LESS PRIOR YTD ACTUAL | % CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL |
|------------------------------------|---------------------------------|-----------------------------|----------------|---------------------------------|----------------------|----------------------------------|------------------------|---|--|-------------------------------------|--|
| Police | \$ 1,442 | 138 | - | 1,580 | 1,703 | 107.78% | 1,887 | 100.00% | 1,887 | (184) | -9.75% |
| Public Works | 6,356 | (256) | - | 6,100 | 5,903 | 96.77% | 6,170 | 100.00% | 6,170 | (267) | -4.33% |
| Transportation | 893 | (11) | - | 882 | 792 | 89.80% | 1,026 | 100.00% | 1,026 | (234) | -22.81% |
| Library | 812 | - | - | 812 | 928 | 114.29% | 878 | 100.00% | 878 | 50 | 5.69% |
| Planning, Bldg & Code Enf | 3,924 | 2,192 | - | 6,116 | 5,757 | 94.13% | 5,501 | 100.00% | 5,501 | 256 | 4.65% |
| Parks Rec & Neigh Svcs | 6,946 | 897 | - | 7,843 | 7,587 | 96.74% | 7,477 | 100.00% | 7,477 | 110 | 1.47% |
| Miscellaneous Dept Charges | 156 | - | - | 156 | 175 | 112.18% | 521 | 100.00% | 521 | (346) | -66.41% |
| Total Departmental Revenues | \$ 20,529 | 2,960 | - | 23,489 | 22,845 | 97.26% | 23,460 | 100.00% | 23,460 | (615) | -2.62% |

CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Revenues

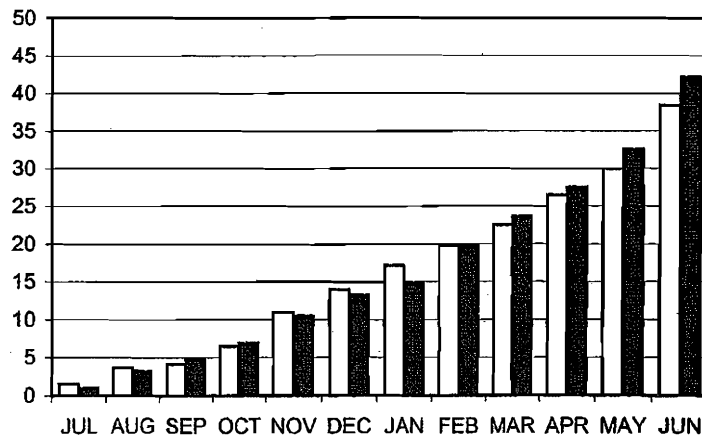
YEAR-TO-DATE REVENUES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Expenditures

YEAR-TO-DATE EXPENDITURES (MILLIONS)



□ FY 2002-03 YTD ■ FY 2001-02 YTD

**CITY OF SAN JOSE
SPECIAL REVENUE FUNDS
SOURCE AND USE OF FUNDS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

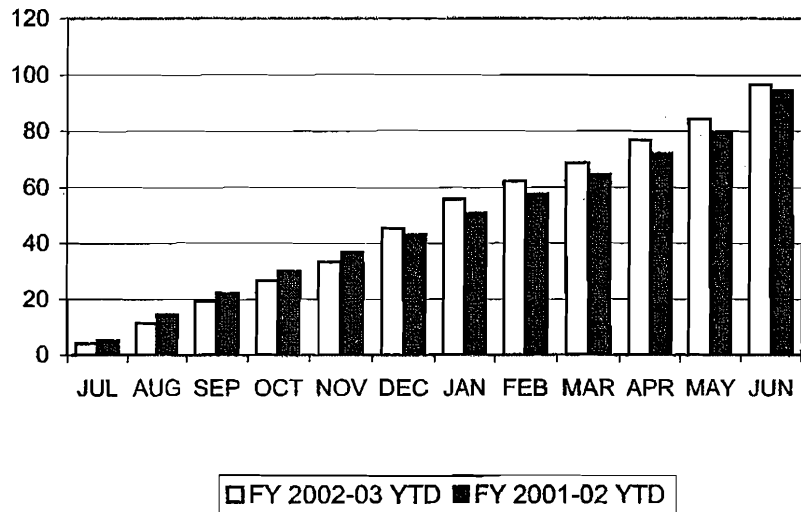
| | ADOPTED FY 2002-03 BUDGET | YTD BUDGET AMENDMENTS | C/O ENCUMBR | REVISED FY 2002-03 BUDGET | YEAR-TO-DATE ACTUAL ENCUMBR | | PRIOR Y-T-D ACTUAL |
|------------------------------------|---------------------------------|-----------------------------|----------------|---------------------------------|-----------------------------------|---------------|--------------------------|
| Construction/Conveyance Tax | | | | | | | |
| Prior Year Encumbrance | \$ - | - | 6,388 | 6,388 | 6,388 | N/A | 6,976 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 46,894 | 7,476 | - | 54,370 | 54,370 | N/A | 52,416 |
| Revenues | 25,546 | 11,638 | - | 37,184 | 36,539 | N/A | 41,541 |
| Total Sources | 72,440 | 19,114 | 6,388 | 97,942 | 97,297 | N/A | 100,933 |
| Total Uses | 72,440 | 19,114 | 6,388 | 97,942 | 38,330 | 7,527 | 41,272 |
| Gas Tax | | | | | | | |
| Prior Year Encumbrance | - | - | - | - | - | N/A | - |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 62 | - | - | 62 | 62 | N/A | 62 |
| Revenues | 17,800 | - | - | 17,800 | 17,464 | N/A | 18,500 |
| Total Sources | 17,862 | - | - | 17,862 | 17,526 | N/A | 18,562 |
| Total Uses | 17,862 | - | - | 17,862 | 17,464 | - | 18,500 |
| Building and Structures | | | | | | | |
| Prior Year Encumbrance | - | - | 11,804 | 11,804 | 11,804 | N/A | 9,480 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 40,997 | 5,680 | - | 46,677 | 46,677 | N/A | 46,338 |
| Revenues | 16,419 | (2,004) | - | 14,415 | 17,429 | N/A | 19,881 |
| Total Sources | 57,416 | 3,676 | 11,804 | 72,896 | 75,910 | N/A | 75,699 |
| Total Uses | 57,416 | 3,676 | 11,804 | 72,896 | 25,138 | 10,583 | 17,517 |
| Residential Construction | | | | | | | |
| Prior Year Encumbrance | - | - | - | - | - | N/A | 169 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 759 | 19 | - | 778 | 778 | N/A | 1,387 |
| Revenues | 153 | (73) | - | 80 | 332 | N/A | 197 |
| Total Sources | 912 | (54) | - | 858 | 1,110 | N/A | 1,753 |
| Total Uses | \$ 912 | (54) | - | 858 | 282 | 2 | 979 |

**CITY OF SAN JOSE
SPECIAL REVENUE FUNDS
SOURCE AND USE OF FUNDS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

| | ADOPTED | YTD | C/O | REVISED | YEAR-TO-DATE | | PRIOR |
|--------------------------------------|----------------------|----------------------|---------------|----------------------|----------------|---------------|-----------------|
| | FY 2002-03 BUDGET | BUDGET AMENDMENTS | | FY 2002-03 BUDGET | ACTUAL | ENCUMBR | Y-T-D ACTUAL |
| Transient Occupancy Tax | | | | | | | |
| Prior Year Encumbrance | \$ - | - | 230 | 230 | 230 | N/A | 30 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 1,605 | (80) | - | 1,525 | 1,525 | N/A | 5,769 |
| Revenues | 12,750 | (2,600) | - | 10,150 | 8,853 | N/A | 10,427 |
| Total Sources | 14,355 | (2,680) | 230 | 11,905 | 10,608 | N/A | 16,226 |
| Total Uses | 14,355 | (2,680) | 230 | 11,905 | 9,139 | 130 | 14,522 |
| Conventions, Arts & Enter | | | | | | | |
| Prior Year Encumbrance | - | - | 226 | 226 | 226 | N/A | 188 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 4,847 | 1,066 | - | 5,913 | 5,913 | N/A | 6,281 |
| Revenues | 19,184 | (2,820) | - | 16,364 | 14,447 | N/A | 18,033 |
| Total Sources | 24,031 | (1,754) | 226 | 22,503 | 20,586 | N/A | 24,502 |
| Total Uses | 24,031 | (1,754) | 226 | 22,503 | 17,679 | 402 | 18,273 |
| Golf | | | | | | | |
| Prior Year Encumbrance | - | - | 74 | 74 | 74 | N/A | 4,495 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 348 | 1,213 | - | 1,561 | 1,561 | N/A | 1,544 |
| Revenues | 2,084 | 188 | - | 2,272 | 1,629 | N/A | 1,020 |
| Total Sources | 2,432 | 1,401 | 74 | 3,907 | 3,264 | N/A | 7,059 |
| Total Uses | 2,432 | 1,401 | 74 | 3,907 | 1,846 | 26 | 5,716 |
| Other Funds | | | | | | | |
| Prior Year Encumbrance | - | - | 37,624 | 37,624 | 37,624 | N/A | 45,172 |
| Liquidation of c/o Encumbrance | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 99,006 | 6,712 | - | 105,718 | 105,718 | N/A | 108,699 |
| Revenues | 441,817 | 18,193 | - | 460,010 | 343,402 | N/A | 314,043 |
| Total Sources | 540,823 | 24,905 | 37,624 | 603,352 | 486,744 | N/A | 467,914 |
| Total Uses | \$ 540,823 | 24,905 | 37,624 | 603,352 | 330,586 | 45,927 | 357,484 |

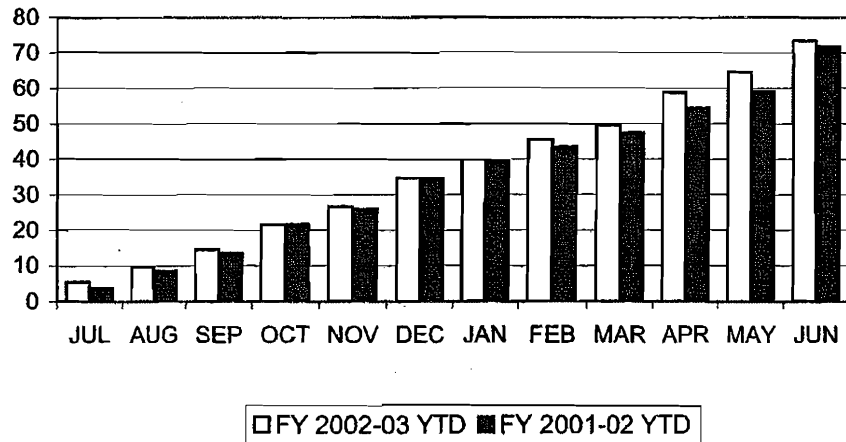
**AIRPORT REVENUE FUND 521
Comparison of YTD Revenues**

YEAR-TO-DATE REVENUES (MILLIONS)

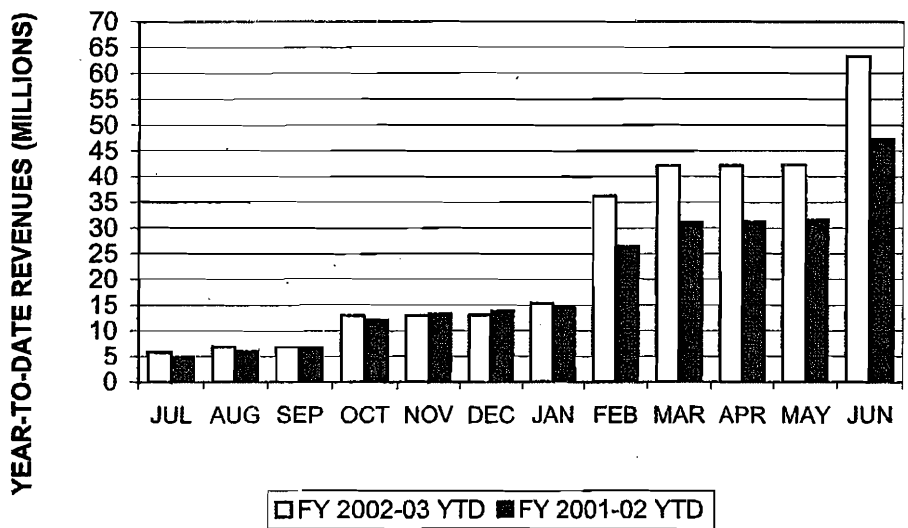


**AIRPORT MAINTENANCE & OPERATING FUND 523
Comparison of YTD Expenditures**

YEAR-TO-DATE EXPENDITURES (MILLIONS)

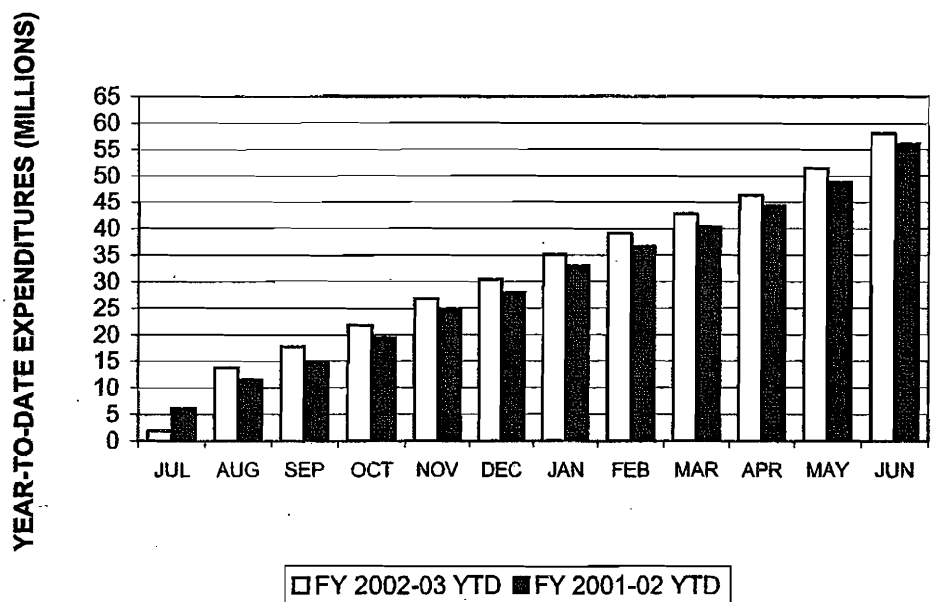


**WPCP OPERATING FUND 513
Comparison of YTD Revenues**



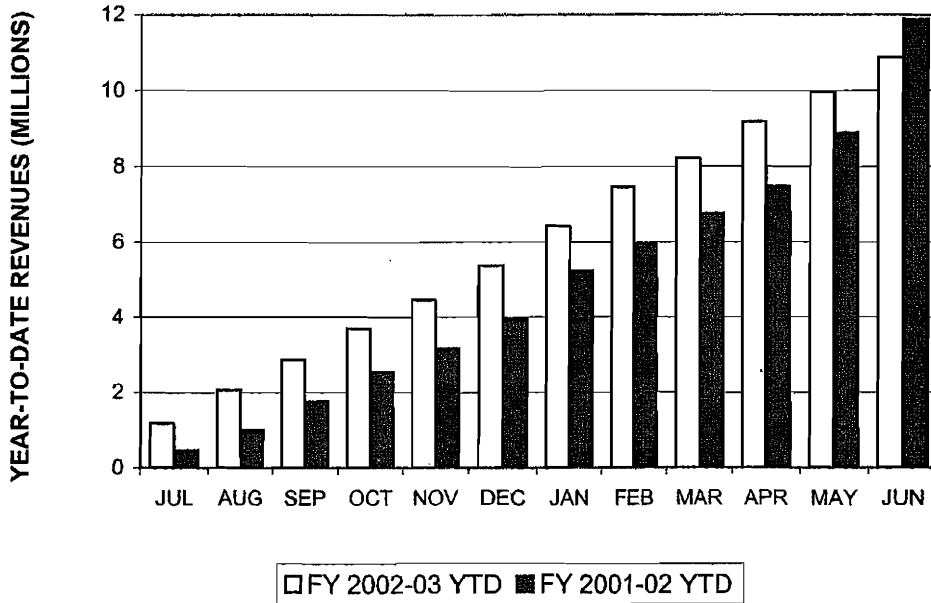
□ FY 2002-03 YTD ■ FY 2001-02 YTD

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

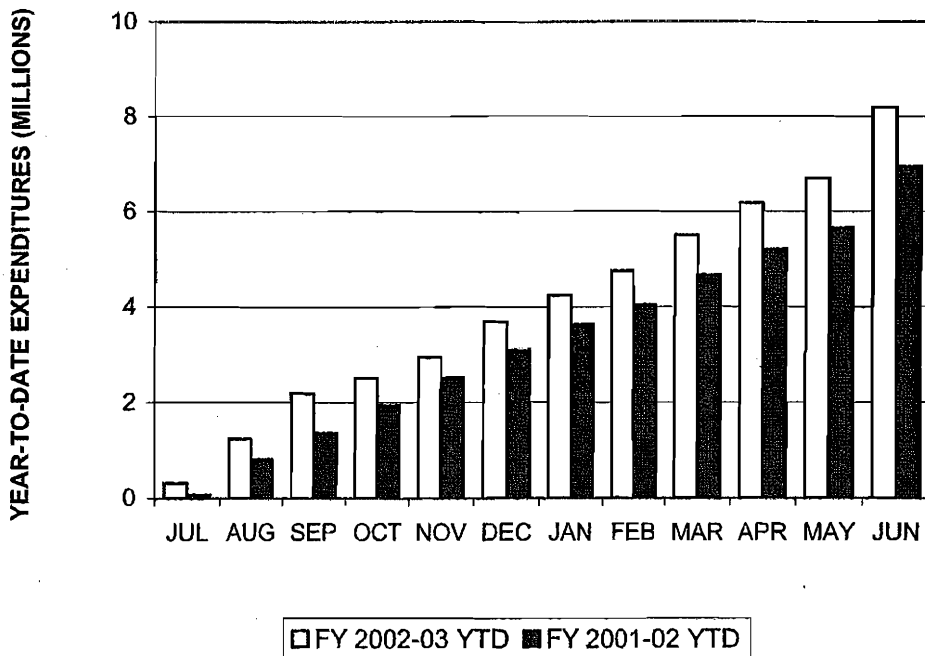


□ FY 2002-03 YTD ■ FY 2001-02 YTD

**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, 2003
(UNAUDITED)
(\$'000's)**

| | ADOPTED | YTD | C/O | REVISED | YEAR-TO-DATE | | PRIOR |
|------------------------------|----------------------|----------------------|---------------|----------------------|----------------|---------------|-----------------|
| | FY 2002-03 BUDGET | BUDGET AMENDMENTS | | FY 2002-03 BUDGET | ACTUAL | ENCUMBR | Y-T-D ACTUAL |
| Airport | | | | | | | |
| Prior Year Encumbrance | \$ - | - | 52,266 | 52,266 | 52,266 | N/A | 58,059 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 223,762 | 37,499 | - | 261,261 | 223,762 | N/A | 131,345 |
| Revenues | 1,189,338 | (5,131) | - | 1,184,207 | 279,256 | N/A | 394,713 |
| Total Sources | 1,413,100 | 32,368 | 52,266 | 1,497,734 | 555,284 | N/A | 584,117 |
| Total Uses | 1,413,100 | 32,368 | 52,266 | 1,497,734 | 288,715 | 70,891 | 341,021 |
| Waste Water Treatment | | | | | | | |
| Prior Year Encumbrance | - | - | 49,962 | 49,962 | 49,962 | N/A | 68,221 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 248,155 | 4,271 | - | 252,426 | 252,426 | N/A | 275,843 |
| Revenues | 193,002 | (815) | - | 192,187 | 184,669 | N/A | 165,032 |
| Total Sources | 441,157 | 3,456 | 49,962 | 494,575 | 487,057 | N/A | 509,096 |
| Total Uses | 441,157 | 3,456 | 49,962 | 494,575 | 204,161 | 63,308 | 199,998 |
| Municipal Water | | | | | | | |
| Prior Year Encumbrance | - | - | 1,666 | 1,666 | 1,666 | N/A | 1,629 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 19,989 | (200) | - | 19,789 | 19,789 | N/A | 19,993 |
| Revenues | 19,928 | (200) | - | 19,728 | 19,291 | N/A | 19,112 |
| Total Sources | 39,917 | (400) | 1,666 | 41,183 | 40,746 | N/A | 40,734 |
| Total Uses | 39,917 | (400) | 1,666 | 41,183 | 19,941 | 1,303 | 19,067 |
| Parking | | | | | | | |
| Prior Year Encumbrance | - | - | 626 | 626 | 626 | N/A | 1,255 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 16,092 | (387) | - | 15,705 | 15,705 | N/A | 10,629 |
| Revenues | 12,487 | (1,432) | - | 11,055 | 10,868 | N/A | 11,870 |
| Total Sources | 28,579 | (1,819) | 626 | 27,386 | 27,199 | N/A | 23,754 |
| Total Uses | \$ 28,579 | (1,819) | 626 | 27,386 | 8,188 | 861 | 6,958 |

**CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

| | ADOPTED | YTD | C/O | REVISED | YEAR-TO-DATE | | PRIOR |
|------------------------------------|----------------------|----------------------|---------------|----------------------|----------------|----------------|--------------------|
| | FY 2002-03 BUDGET | BUDGET AMENDMENTS | | FY 2002-03 BUDGET | ACTUAL | ENCUMBER | Y-T-D ACTUAL |
| Construction Excise | | | | | | | |
| Prior Year Encumbrance | \$ - | - | 9,468 | 9,468 | 9,468 | | N/A 10,938 |
| Liquidation of c/o Enc. | - | - | - | - | - | | N/A - |
| Beginning Fund Balance | 12,393 | 5,477 | - | 17,870 | 17,870 | | N/A 18,917 |
| Revenues | 64,152 | (32,000) | - | 32,152 | 34,959 | | N/A 42,673 |
| Total Sources | 76,545 | (26,523) | 9,468 | 59,490 | 62,297 | | N/A 72,528 |
| Total Uses | 76,545 | (26,523) | 9,468 | 59,490 | 27,064 | 7,990 | 44,859 |
| Community Facilities Constr | | | | | | | |
| Prior Year Encumbrance | - | - | - | - | - | | N/A - |
| Liquidation of c/o Enc | - | - | - | - | - | | N/A - |
| Beginning Fund Balance | - | - | - | - | - | | N/A - |
| Revenues | - | - | - | - | 6 | | N/A 8 |
| Total Sources | - | - | - | - | 6 | | N/A 8 |
| Total Uses | - | - | - | - | - | - | - |
| Redevelopment Projects | | | | | | | |
| Prior Year Encumbrance | - | - | 4,778 | 4,778 | 4,778 | | N/A 4,335 |
| Liquidation of c/o Enc | - | - | - | - | - | | N/A - |
| Beginning Fund Balance | 5,633 | 7,252 | - | 12,885 | 12,885 | | N/A 10,119 |
| Revenues | 1,575 | 36,267 | - | 37,842 | 33,242 | | N/A 14,099 |
| Total Sources | 7,208 | 43,519 | 4,778 | 55,505 | 50,905 | | N/A 28,553 |
| Total Uses | 7,208 | 43,519 | 4,778 | 55,505 | 18,132 | 21,344 | 10,500 |
| Central Svc Yard Acq. | | | | | | | |
| Prior Year Encumbrance | - | - | - | - | - | | N/A - |
| Liquidation of c/o Enc | - | - | - | - | - | | N/A - |
| Beginning Fund Balance | 10,242 | 15 | - | 10,257 | 10,257 | | N/A 242 |
| Revenues | - | - | - | - | 4 | | N/A 6 |
| Total Sources | 10,242 | 15 | - | 10,257 | 10,261 | | N/A 248 |
| Total Uses | 10,242 | 15 | - | 10,257 | 261 | - | (1) |
| Other | | | | | | | |
| Prior Year Encumbrance | - | - | 36,176 | 36,176 | 36,176 | | N/A 8,235 |
| Liquidation of c/o Enc | - | - | - | - | - | | N/A - |
| Beginning Fund Balance | 59,755 | 27,088 | - | 86,843 | 86,843 | | N/A 110,006 |
| Revenues | 459,385 | (9,586) | - | 449,799 | 400,143 | | N/A 4,080 |
| Total Sources | 519,140 | 17,502 | 36,176 | 572,818 | 523,162 | | N/A 122,321 |
| Total Uses | \$ 519,140 | 17,502 | 36,176 | 572,818 | 138,529 | 138,529 | 41,014 |

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE 12 MONTHS ENDED JUNE 30, 2003
(UNAUDITED)
(\$000's)**

| | ADOPTED FY 2002-03 BUDGET | YTD BUDGET AMENDMENTS | C/O ENCUMBR | REVISED FY 2002-03 BUDGET | YEAR-TO-DATE | | PRIOR Y-T-D ACTUAL |
|-------------------------|---------------------------------|-----------------------------|----------------|---------------------------------|--------------|------------|--------------------------|
| | | | | | ACTUAL | ENCUMBR | |
| Trust and Agency | | | | | | | |
| Prior Year Encumbrance | \$ - | - | 88 | 88 | 88 | N/A | 278 |
| Liquidation of c/o Enc | - | - | - | - | - | N/A | - |
| Beginning Fund Balance | 1,977 | 812 | - | 2,789 | 2,789 | N/A | 1,953 |
| Revenues | 7,893 | 48 | - | 7,941 | 6,550 | N/A | 6,427 |
| Total Sources | <u>9,870</u> | <u>860</u> | <u>88</u> | <u>10,818</u> | <u>9,427</u> | <u>N/A</u> | <u>8,658</u> |
| Total Uses | \$ <u>9,870</u> | <u>860</u> | <u>88</u> | <u>10,818</u> | <u>6,813</u> | <u>71</u> | <u>5,264</u> |