

2007-2008 MANAGER'S BUDGET ADDENDUM LOG

	Distribution Date
MBA #1: Budget Study Sessions Memo, 2007-2008 Master Budget Study Sessions Agenda, 2007-2008 Operating and Capital Budget Study Sessions Agendas	05/02/07
MBA #2: 2007-2008 Proposed Operating and Capital Budgets and 2008-2012 Capital Improvement Program Replacement Pages	05/03/07
MBA #3: Recommendation on the Proposed 2008-2012 Capital Improvement Program	05/04/07
MBA #4: Request from History San Jose for Additional Funding	05/09/07
MBA #5: City Hall Custodial Service	05/10/07
MBA #6: Sunshine Reform Budget Detail	05/11/07
MBA #7: 2007-2008 Proposed Operating Budget: Location of Position Information	05/15/07
MBA #8: HP Pavilion at San Jose Capital Budget Recommendations	05/15/07
MBA #9: LEED Cost Analysis for Pipeline Projects	05/15/07
MBA #10: Criteria for Use of Economic Incentive Fund	05/17/07
MBA #11: Description/Uses of City Operating and Capital Funds	05/18/07
MBA #12: Energy Savings Information for Municipal Operations	05/23/07
MBA #13: Technology Spending Plan/Use of Reserve	05/24/07
MBA #14: Remove Community Centers from Facility Re-Use List	05/24/07
MBA #15: Cost of Eleven New PRNS Positions as Contract Staff	05/24/07
MBA #16: Traffic Fine Distribution Formula – Legislative Change Process	05/24/07
MBA #17: Crime Index Statistics Comparison	05/24/07
MBA #18: Hourly Rate for Public Works Development Services	05/25/07
MBA #19: Success of City's Efforts to Secure Grants	05/25/07
MBA #20: Workers' Compensation Utilization Review	05/25/07

<p>2007-2008</p> <p>MANAGER'S BUDGET ADDENDUM LOG</p>

	Distribution Date
MBA #21: Healthy Neighborhoods Venture Fund Funding Recommendations	05/25/07
MBA #22: Water Utility System-Rate Increase Breakdown/Rate Stabilization Reserve Balance	05/25/07
MBA #23: 2007-2008 Proposed Operating Budget Replacement Pages for Environmental Services Department Performance Measures	05/25/07
MBA #24: 2007-2008 Proposed Operating Budget Replacement Pages for Environmental Services Department Budget Proposal Correction	05/25/07
MBA #25: Deputy Director Position Addition: Office of Cultural Affairs	05/25/07
MBA #26: Parks Maintenance	05/25/07
MBA #27: NASCOP Warning Program	05/25/07
MBA #28: Entertainment Zone Cost Recovery	05/29/07
MBA #29: 2007-2008 Proposed Fees and Charges Replacement Page	05/30/07
MBA #30: Recreation E-Commerce System	05/30/07
MBA #31: Municipal Water System Rate Comparison	05/30/07
MBA #32: School Area Parking Compliance	05/31/07
MBA #33: Family Camp Cost Recovery	05/31/07
MBA #34: Updated Information Regarding 2007-2008 General Fund Revenue Estimates	06/01/07*
MBA #35: City-Wide Aquatics	06/01/07*
MBA #36: Recommended Amendments to the 2007-2008 Proposed Operating and Capital Budgets	06/01/07*



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

SUBJECT: BUDGET STUDY SESSIONS

DATE: May 1, 2007

Approved /s/ Date 05/02/07

Attached are detailed agendas for the 2007-2008 Budget Study Sessions for the City's and Redevelopment Agency's Operating and City's Capital Budgets, scheduled to begin on May 7, 2007.

The attached agendas for the Operating Budget Study Sessions will help you locate the detailed discussions for each City Service Area (CSA) in the City's Operating Budget Document. The CSA sections can be found in section VII of the document and include the following information:

- Overview (e.g., Budget Summary, Five-Year Business Plan, Two-Year Investment Strategy, Performance by Outcome, Proposed Investment Changes)
- Core Services (e.g., Core Service Performance and Resource Overview and Budget Changes by Core Service), and
- City-Wide (e.g., City-Wide Expenses and General Fund Capital, Transfers, and Reserves).

Although not specifically presented, the more technical information regarding the budget can be found in the following sections: General Fund Revenue Estimates (section VI); City Departments (section VIII); City-Wide (section IX); Selected Special Fund Summaries (section X); and Source and Use of Funds Statements (section XI).

The Capital Budget Study Session presentations are also again organized by CSA, which integrate capital programs with service areas that they support. Please refer to section V of the City's Capital Budget document for detailed Capital Program information.

Redevelopment Agency Budget Operating Budget information will be discussed with the Community and Economic Development CSA (May 7th). The Redevelopment Agency budget material has been released under separate cover. The City Council Appointees will be discussed with the Strategic Support City Service Area (May 14th).

Please contact me at 535-8144 if you have questions or would like assistance with the agendas.

/s/
LARRY D. LISENBEE
Budget Director

Attachments

2007-2008
CITY OF SAN JOSÉ
BUDGET STUDY SESSIONS*

ITEM**	DATE	TIME
City and Redevelopment Agency 2007-2008 Operating Budgets		
□ Overview	Monday, May 7, 2007	1:00pm – 2:00pm
CSA Business Plans, Core Services, and Performance Measures		
□ Community & Economic Development (including Redevelopment Agency)	Monday, May 7, 2007	2:00pm – 5:00pm
□ Neighborhood Services	Thursday, May 10, 2007	9:00am – 11:00am
□ Public Safety	Thursday, May 10, 2007	11:00am – 12:00pm
	Friday, May 11, 2007	9:00am – 10:00am
□ Transportation & Aviation Services	Friday, May 11, 2007	10:00am – 12:00pm
□ Environmental & Utility Services	Monday, May 14, 2007	1:00pm – 3:00pm
□ Strategic Support (including Council Appointees)	Monday, May 14, 2007	3:00pm – 4:00pm
□ City Auditor Recommendations	Monday, May 14, 2007	4:00pm – 4:15pm
□ Fees and Charges	Monday, May 14, 2007	4:15pm – 5:00pm
City 2007-2008 Capital Budget and 2008-2012 Capital Improvement Program		
□ Overview	Wednesday, May 16, 2007	9:00am – 9:30am
□ Community & Economic Development	Wednesday, May 16, 2007	9:30am – 10:00am
□ Environmental & Utility Services	Wednesday, May 16, 2007	10:00am – 11:00am
□ Public Safety	Wednesday, May 16, 2007	11:00am – 12:00pm
□ Neighborhood Services	Thursday, May 17, 2007	10:00am – 11:00am***
□ Transportation & Aviation Services	Thursday, May 17, 2007	11:00am – 11:45am
□ Strategic Support	Thursday, May 17, 2007	11:45am – 12:00pm
HOLD for Discussions if Needed	Friday, May 18, 2007	9:00am – 12:00pm
HOLD for Discussions if Needed	Friday, May 18, 2007	1:00pm – 5:00pm

* Budget Study Sessions will be held in the City Council Chambers.

**Items may be taken out of order or in advance of the scheduled time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.

***Subject to change to a start time of 9:00am.



2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Monday, May 7, 2007
1:00 pm – 5:00 pm, Council Chambers

Opening Comments	Mayor Chuck Reed
Introduction of Proposed Operating Budget	Les White
Overview Presentation	Larry D. Lisenbee
Discussion of CSA Business Plans, Core Services, and Performance Measures	

City Service Area Page #

Community and Economic Development (CSA Lead: Paul Krutko)

1. CSA Business Plan/Performance Measures VII-9 – VII-46
2. Core Services/Performance Measures VII-47 – VII-121
 - Arts and Cultural Development (*Office of Economic Development*)
 - Business/Job Attraction, Retention,
 - Expansion and Creation (*Office of Economic Development*)
 - Convention Facilities (*Convention Facilities*)
 - Development Plan Review and Building Construction
 - Inspection (*Planning, Building and Code Enforcement*)
 - Enhance the Quality and Supply of the City's See separate document
 - Housing Stock (*Redevelopment Agency*)
 - Fire Safety Code Compliance (*Fire*)
 - Increase the Affordable Housing Supply (*Housing*)
 - Initiate and Facilitate Private Development See separate document
 - (*Redevelopment Agency*)

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Monday, May 7, 2007 (Cont'd.)
1:00 pm – 5:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Community and Economic Development (CSA Lead: Paul Krutko)

(Cont'd.)

Initiate and Facilitate Public Facilities and Space See separate document
(*Redevelopment Agency*)

Long Range Land Use Planning

(*Planning, Building and Code Enforcement*)

Maintain the Existing Affordable Housing Supply

(*Housing*)

Outdoor Special Events (*Office of Economic Development*)

Promote and Implement Neighborhood Improvement See separate document

Strategies (*Redevelopment Agency*)

Provide Service to Homeless and At-Risk Populations (*Housing*)

Regulate/Facilitate Private Development (*Public Works*)

Workforce Development (*Office of Economic Development*)

Strategic Support (*All Departments*)

3. City-Wide

VII-123 – VII-127

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Thursday, May 10, 2007
9:00 am – 12:00 am, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Neighborhood Services (CSA Lead: Jane Light)

- | | |
|--|-------------------|
| 1. <u>CSA Business Plan/Performance Measures</u> | VII-197 – VII-230 |
| 2. <u>Core Services/Performance Measures</u> | VII-231 – VII-283 |
| Community Code Enforcement
<i>(Planning, Building and Code Enforcement)</i> | |
| Community Strengthening Services
<i>(Parks, Recreation and Neighborhood Services)</i> | |
| Life Enjoyment Services
<i>(Parks, Recreation and Neighborhood Services)</i> | |
| Neighborhood Livability Services
<i>(Parks, Recreation and Neighborhood Services)</i> | |
| Promote Lifelong Learning and Provide Educational
Support <i>(Library)</i> | |
| Provide Access to Information, Library Materials and
Digital Resources <i>(Library)</i> | |
| Strategic Support <i>(All Departments)</i> | |
| 3. <u>City-Wide</u> | VII-285 – VII-288 |

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2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Thursday, May 10, 2007 (Cont'd.)
9:00 am – 12:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Public Safety (CSA Lead: Rob Davis)

1. CSA Business Plan/Performance Measures VII-289 – VII-309
2. Core Services/Performance Measures VII-311 – VII-365
 - Crime Prevention and Community Education (*Police*)
 - Emergency Preparedness and Planning
(*Office of Emergency Services*)
 - Emergency Response (*Fire*)
 - Emergency Response and Recovery
(*Office of Emergency Services*)
 - Fire Prevention (*Fire*)
 - Independent Police Oversight (*Independent Police Auditor*)
 - Investigative Services (*Police*)
 - Regulatory Services (*Police*)
 - Respond to Calls for Service (*Police*)
 - Special Events Services (*Police*)
 - Strategic Support (*All Departments*)
3. City-Wide VII-367 – VII-369

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Friday, May 11, 2007
9:00 am – 12:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Public Safety (CSA Lead: Rob Davis)

(Cont'd.)

Transportation and Aviation Services (CSA Lead: Jim Helmer)

- | | |
|--|-------------------|
| 1. <u>CSA Business Plan/Performance Measures</u> | VII-371 – VII-407 |
| 2. <u>Core Services/Performance Measures</u> | VII-409 – VII-480 |
| Airport Customer Service (<i>Airport</i>) | |
| Airport Environmental Management (<i>Airport</i>) | |
| Community Air Service (<i>Airport</i>) | |
| Parking Services (<i>Transportation</i>) | |
| Pavement Maintenance (<i>Transportation</i>) | |
| Street Landscape Maintenance (<i>Transportation</i>) | |
| Traffic Maintenance (<i>Transportation</i>) | |
| Traffic Safety Services (<i>Police</i>) | |
| Transportation Operations (<i>Transportation</i>) | |
| Transportation Planning and Project Delivery (<i>Transportation</i>) | |
| Strategic Support (<i>All Departments</i>) | |
| 3. <u>City-Wide</u> | VII-481 – VII-483 |

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2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Monday, May 14, 2007
1:00 pm – 5:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Environmental and Utility Services (CSA Lead: John Stufflebean)

1. CSA Business Plan/Performance Measures VII-129 – VII-149
2. Core Services/Performance Measures VII-151 – VII-194
 - Manage Potable Water (*Environmental Services*)
 - Manage Recycled Water (*Environmental Services*)
 - Manage Recycling and Garbage Services (*Environmental Services*)
 - Manage Urban Runoff Quality (*Environmental Services*)
 - Manage Wastewater (*Environmental Services*)
 - Protect Natural and Energy Resources (*Environmental Services*)
 - Sanitary Sewer Maintenance (*Transportation*)
 - Storm Sewer Management (*Transportation*)
 - Strategic Support (*All Departments*)
3. City-Wide VII-195 – VII-196

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Monday, May 14, 2007 (Cont'd.)
1:00 pm – 5:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Strategic Support (CSA Lead: Mark Danaj)

1. CSA Business Plan/Performance Measures VII-485 – VII-515
2. Core Services/Performance Measures VII-517 – VII-617
 - Administer Retirement Plans (*Retirement Services*)
 - Debt Management (*Finance*)
 - Disbursements (*Finance*)
 - Employee Benefits (*Human Resources*)
 - Employment Services (*Human Resources*)
 - Facilities Management (*General Services*)
 - Financial Reporting (*Finance*)
 - Fleet and Equipment Services (*General Services*)
 - Health and Safety (*Human Resources*)
 - Manage and Support the Information Technology Infrastructure
(*Information Technology*)
 - Performance Development (*Human Resources*)
 - Plan, Design and Construct Public Facilities and Infrastructure
(*Public Works*)
 - Provide Enterprise Technology Systems and Solutions
(*Information Technology*)
 - Purchasing and Materials Management (*Finance*)
 - Revenue Management (*Finance*)

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2007-2008 PROPOSED OPERATING BUDGET

STUDY SESSION

AGENDA*

Monday, May 14, 2007 (Cont'd.)
1:00 pm – 5:00 pm, Council Chambers

Discussion of CSA Business Plans, Core Services, and Performance Measures (Cont'd.)

City Service Area _____ Page #

Strategic Support (CSA Lead: Mark Danaj)

(Cont'd.)

Support Departmental Technology Services (*Information Technology*)

Strategic Support (*All Departments*)

- | | |
|--|-------------------|
| 3. <u>Mayor, City Council and Appointees</u> | VII-619 – VII-697 |
| Office of the City Attorney | |
| Office of the City Auditor | |
| Office of the City Clerk | |
| Office of the City Manager | |

- | | |
|---------------------|-------------------|
| 4. <u>City-Wide</u> | VII-699 – VII-705 |
|---------------------|-------------------|

City Auditor Recommendations	51-54
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Fees and Charges	See separate document
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* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



**2007-2008 PROPOSED CAPITAL BUDGET
AND
2008-2012 CAPITAL IMPROVEMENT PROGRAM**

**STUDY SESSION
AGENDA***

Wednesday, May 16, 2007
9:00 am – 12:00 pm, Council Chambers

Opening Comments	Mayor Chuck Reed
Introduction of Proposed Capital Budget	Les White
Overview Presentation	Ed Shikada
Discussion of Capital Budget	

City Service Area Page #

Community and Economic Development	V-1 – V-3
<i>Developer Assisted Projects Capital Program</i>	V-5 – V-25
Environmental and Utility Services	V-27 – V-33
<i>Sanitary Sewer System Capital Program</i>	V-35 – V-81
<i>Storm Sewer System Capital Program</i>	V-83 – V-119
<i>Water Pollution Control Capital Program</i>	V-121 – V-160
<i>Water Utility System Capital Program</i>	V-161 – V-196
Public Safety	V-625 – V-628
<i>Public Safety Capital Program</i>	V-629 – V-697

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.



**2007-2008 PROPOSED CAPITAL BUDGET
AND
2008-2012 CAPITAL IMPROVEMENT PROGRAM**

**STUDY SESSION
AGENDA***

Thursday, May 17, 2007
10:00 am – 12:00 pm, Council Chambers**

Discussion of Capital Budget (Cont'd.)

<u>City Service Area</u>	<u>Page #</u>
Neighborhood Services	V-197 – V-213
<i>Library Capital Program</i>	V-215 – V-263
<i>Parks and Community Facilities Capital Program</i>	V-265 – V-623
Transportation and Aviation Services	V-699 – V-706
<i>Airport Capital Program</i>	V-707 – V-771
<i>Parking Capital Program</i>	V-773 – V-789
<i>Traffic Capital Program</i>	V-791 – V-920
Strategic Support	V-921 – V-925
<i>Civic Center Capital Program</i>	V-927 – V-941
<i>Communications Capital Program</i>	V-943 – V-957
<i>Municipal Improvements Capital Program</i>	V-959 – V-978
<i>Service Yards Capital Program</i>	V-979 – V-1001

* Items may be taken out of order or in advance of the schedule time if the City Council completes its discussion of the item scheduled prior to the next item. For information, call Nadine Nader at 535-8104.

** Study Session time subject to change to a start time of 9:00 am.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

**SUBJECT: 2007-2008 PROPOSED
OPERATING AND CAPITAL
BUDGETS AND 2008-2012 CAPITAL
IMPROVEMENT PROGRAM
REPLACEMENT PAGES**

DATE: May 3, 2007

Approved /s/ Date 05/03/07

Attached are replacement pages to correct inadvertent printing errors in the 2007-2008 Proposed Operating and Capital Budgets and 2008-2012 Proposed Capital Improvement Program documents. The replacement pages include the following:

Operating Budget

<u>Section</u>	<u>Change</u>	<u>Page Number</u>
Transportation and Aviation Services/ General Fund Capital, Transfers and Reserves	Budget Changes by Program – Printing Error	VII - 483

Capital Budget

<u>Section</u>	<u>Change</u>	<u>Page Number</u>
Sanitary Sewer System Capital Program/ Overview	Other Highlights Section – Printing Error	V - 45

/s/
LARRY D. LISENBEE
Budget Director

Attachments

Transportation and Aviation Services CSA

General Fund Capital, Transfers, and Reserves

Budget Changes by Program (Cont'd.)

Proposed Program Changes	Positions	General Fund (\$)
3. Capital Contributions: Transportation Backlog- Roadway Striping and Repainting		475,000
<p>This proposal establishes one-time funding in the amount of \$475,000 to continue to address the City's Transportation Infrastructure Maintenance Backlog. This project will address the backlog of roadway striping and repainting of City streets to help improve the street condition. (Ongoing costs: \$0)</p>		
4. Capital Contributions: Transportation Backlog Street Resurfacing		3,900,000
<p>This proposal establishes one-time funding in the amount of \$3,900,000 to continue to address the City's Transportation Infrastructure Maintenance Backlog. This project will address the backlog of pavement maintenance to improve street safety and ride-ability to help improve the street condition. (Ongoing costs: \$0)</p>		
5. Capital Contributions: Transportation Backlog Traffic Sign Replacement		625,000
<p>This proposal establishes one-time funding in the amount of \$625,000 to continue to address the City's Transportation Infrastructure Maintenance Backlog. This project will address the backlog of replacing traffic signs on City Streets to improve street safety. (Ongoing costs: \$0)</p>		
6. Earmarked Reserves: Street Maintenance Activities Reserve Elimination		(338,000)
<p>This action liquidates the Earmarked Reserve that was established in the 2007-2008 General Fund Forecast Base Budget for projected additional costs to maintain new traffic signals, landscaping, and street lighting included in the City's Five-Year Capital Improvement Program. Elsewhere in this document, this ongoing funding is allocated to the Department of Transportation to maintain additional landscaping acreage, traffic signals, and streetlights. (Ongoing savings: \$358,000)</p>		
2007-2008 Proposed Program Changes Total	0.00	3,194,000

Sanitary Sewer System Capital Program

2008-2012 Proposed Capital Improvement Program

Overview

Program Highlights (Cont'd.)

Fourth Interceptor (Cont'd.)

Phases to be Completed:

- Completion of Phase VI of the project, located on Fourth Street between Old Bayshore Highway and Commercial Street, is subject to additional funding being allocated in the future in order to fund the project. Subsequent CIP revisions will further refine the scope and budget for the project.

With regard to the Fourth Interceptor, the first five phases of this new interceptor have been constructed. When completed, the Fourth Interceptor would also allow one of the three older interceptors to be removed from service during dry weather periods for the purpose of routine maintenance or rehabilitation. Such flexibility is important, but currently not available in all reaches of the system.

Other Highlights

The existing San José Sanitary Sewer Master Plan, which evaluates sanitary sewers throughout San José, is more than 10 years old. In fall 2002, the City initiated a new Sanitary Sewer Master Plan. The new San José Sanitary Sewer Master Plan for the north, south, and central areas was completed in June 2004. The Sanitary Sewer Master Plan for the East and West areas is anticipated to begin in future years. After the completion of in-depth capacity and condition assessment programs, the consultant agreements for flow monitoring services will be awarded. Once the Master Plan is completed, it will help identify sewer capacity deficiencies in the

existing system, and projected additional capacities required to meet future demands.

In addition to interceptor improvements, funding toward other projects is included in this document, subject to budgetary constraints. These projects include Sanitary Sewer System Flow Monitoring and Master Planning Program, Inflow and Infiltration (I&I) Reduction Program, and Neighborhood Sewer Improvement Program.

The Flow Monitoring and Master Planning Program proposes to supplement the number of sites where the City may monitor sewer system flow rates. This information will be useful in daily operations and maintenance activities, the master planning of the sanitary sewer system, and sewage diversion operations. In diversion operations, City staff or contractors divert sewage flows from one line to another so that a sewer may be replaced or rehabilitated. Data from the flow monitoring program aids in confirming that the adjacent system is capable of conveying the additional flow without creating a sanitary sewer overflow.

The I&I Reduction Program is a key element of the Environmental and Utility Services CSA Business Plan. This program is intended to rehabilitate portions of the sewer system where groundwater and other sources of water (besides sewage) enter the sewers. It is known that certain areas of the City are prone to I&I. The goal of the I&I Reduction Program is to decrease the flow to the WPCP and help continue to meet the discharge flow cap. The program operates in conjunction with the Flow Monitoring Program to identify areas of the system that have substantial I&I, construct improvements to reduce I&I, then measure the reduction in flow following those



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
PROPOSED 2008-2012 CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 4, 2007

Approved: /s/

Date: 05/04/07

RECOMMENDATION

The Planning Commission (5-1, Commissioner Platten dissenting) recommends that the City Council adopt the Proposed 2008-2012 Capital Improvement Program (CIP).

OUTCOME

Adoption of the Proposed 2008-2012 Capital Improvement Program (CIP) will provide continued funding for programs and policies that the City Council has established as priorities. The CIP will guide the City in the planning, scheduling, and budgeting of capital improvement projects during the next five-year period.

BACKGROUND

The San Jose City Charter prescribes that the Planning Commission consider the City's Proposed Capital Improvement Program (CIP) and submit its findings and recommendations to the City Council at least ten (10) days prior to a public hearing of the City Council on the CIP. Since the CIP implements the goals and policies of the General Plan, a determination of consistency with the *San Jose 2020 General Plan* is an important criterion in the Commission's review of the document.

ANALYSIS

On May 2, 2007, the Planning Commission conducted its annual study session for review of the City's Proposed 2008-2012 Capital Improvement Program (CIP). The study session included a presentation by staff from the City Manager's Budget Office. Active Commission discussion occurred with representatives from each City Department.

Following the study session, the Commission conducted a public hearing regarding their comments on the proposed CIP, which are being forwarded to the Council for their consideration. There were no public comments during the hearing.

The Planning Commission's discussion at the study session on the Proposed 2008-2012 Capital Improvement Program can be categorized as having two primary themes:

1. Opportunities to Increase City Revenues: The Planning Commission encouraged the City to investigate opportunities to increase City revenues and, specifically, to verify that the City's various in-lieu development fees (e.g., undergrounding of utilities) accurately reflect actual construction costs. Staff indicated that such fees are reviewed on a periodic basis.

2. Minimization of Operating and Maintenance Costs: The Planning Commission expressed concern about the projected rise in operating and maintenance (O & M) costs associated with implementation of the CIP, particularly related to near-term completion of numerous parks, community centers, libraries, and public safety facilities bond projects. Staff responded that while in recent years the City has given priority to CIP projects that have minimal negative or positive O & M impacts (e.g., equipment upgrades), projects with higher O & M are now being included out of necessity.

3. Opportunities to Increase Green Building and Energy Efficiency in City Projects: Related to the issues above, the Commission expressed strong interest in green building techniques, alternative energy sources (solar in particular), application of technology (e.g., parking meters accepting credit cards), and reassessment of the contract for operation and maintenance of the Arena.

At the public hearing, the Commission provided additional comments regarding the need for funding of future parkland needs stemming from planned intensification of North San Jose, and also encouraged partnership with alternative energy firms to explore the use of cost-saving technologies. Similarly, the Commission suggested that the City explore the generation of its own energy supply, similar to the City of Santa Clara. The Commission closed their discussion by commending City staff for the high quality in preparation of the proposed CIP.

Conclusion

Based on information contained in the Proposed 2008-2012 Capital Improvement Program and shared at the study session, the Planning Commission finds that the CIP is consistent with the *San Jose 2020 General Plan*. The Planning Commission recommends that the City Council adopt the Proposed 2008-2012 Capital Improvement Program.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

The Planning Commission CIP study session was noticed as a public meeting. However, no citizens chose to attend. Further, the Commission's formal recommendation to the City Council on the CIP occurred as a public hearing item on the agenda of the Planning Commission's evening session on May 2, 2007. No citizens provided testimony on this item.

HONORABLE MAYOR AND CITY COUNCIL

May 4, 2007

Subject: Capital Improvement Program

Page 3

COORDINATION

The preparation of this report was coordinated with the Budget Office and City Attorney's Office.

COST IMPLICATIONS

Not applicable.

CEQA

Not applicable.

/s/

JOSEPH HORWEDEL, SECRETARY
Planning Commission

Phone #: (408) 535-7800



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kay Winer

SUBJECT: Request from History San José
for Additional Funding

DATE: May 8, 2007

Approved

/s/

Date 05/09/07

RECOMMENDATION

1. Provide an annual operating subsidy of \$574,823 for FY 2007-08 to History San José (HSJ), consistent with the subsidy schedule contained in the Agreement with the City while the City Auditor completes a full financial analysis of additional funding requests. (This is consistent with the process that has been used for requests from San José Repertory Theatre, American Musical Theatre and Mexican Heritage Corporation.)
2. Request the City Auditor to complete the financial analysis in order to respond to the following requests from HSJ:
 - Stabilize the operating subsidy for FY 2007-08 at the FY2006-07 level of \$687,323.
 - Increase annual funding to cover a larger percentage of the \$1,865,000 determined by HSJ as the amount required to maintain basic operations of HSJ.
3. Direct Parks, Recreation and Neighborhood Services to continue working with HSJ to maximize meeting HSJ's highest priorities in landscaping maintenance with existing resources, rather than restore a specific full-time gardener who had worked at History Park for a number of years.

(The May 1, 2007 letter that makes the requests for additional funding and restoration of a gardener is attached.)

BACKGROUND

In April 1998, an Agreement was approved for a twenty-year operating agreement between the City and History San José. This was the culmination of months of negotiations to turn over responsibility for the facilities and collections from the City to the non-profit organization. Negotiations culminated with an Agreement in which a key provision was a mutually-agreed upon schedule of declining operations and maintenance subsidy by the City to HSJ. (See attached schedule.) This approach to providing the operating subsidy was in response to HSJ's request that more support be provided "up front", as the organization was confident that its fund raising capacity would be strengthened over time, thus lessening the amount of City general fund support.

The Mayor's June budget message for FY 2005-06 provided direction that HSJ's operating subsidy be reduced by \$50,000 rather than the \$75,000 called for in the contract. There was also direction to allow HSJ to operate the two parking lots serving the museum during special events. This would provide HSJ with flexibility that it desired, as well as a small amount of additional revenues. During a series of meetings that beginning in September 2005, HSJ also requested to re-open discussions with regard to the subsidy. Staff did not recommend reopening the Agreement to renegotiate new terms for the operating subsidy. It was staff's opinion that by so doing, many, if not all of the other non-profits with an operating subsidy would submit a similar request. On June 13, 2006, the Council approved staff's recommendations to only amend the Operation Agreement to modify the payment for one year and to provide HSJ the opportunity to manage the two parking lots under certain special event conditions.

ANALYSIS

Request to Increase Operating Subsidy

HSJ has stated that it will conclude this fiscal year with an approximate \$250,000 deficit. Further, its letter of May 1, 2007 states that by not reducing the subsidy for next year and maintaining it at the current fiscal year level of \$687,323 will sustain the organization temporarily, but will not be sufficient to carry HSJ to June 30, 2008. According to HSJ, the organization's budget for next year will be \$2.3 million. Of that amount, \$1,865,000 is required to maintain basic operations of HSJ on an annual basis. At this time, HSJ has not determined how much of that amount will be requested of the City on a yearly basis, although HSJ has stated that it is confident that it will be able to raise funds for programming, which is approximately \$435,000 (difference between \$2.3 million and \$1,865,000).

Each of the major arts and culture organizations that have submitted requests to the City for funding above the subsidy contained in their contract have undergone a complete review by the City Auditor and submission of a business or reorganization plan prior to Council action on their respective requests. The organizations include San José Repertory Theatre, the American Musical Theatre and Mexican Heritage Corporation. For consistency, it is recommended that the City Auditor be directed to complete a full financial analysis of the organization and to submit findings and recommendations to the Council. This effort has typically taken approximately three months to complete. HSJ expects that an audit is part of the process of reviewing their request. It is recommended that, pending completion of the Auditor's analysis, the established annual subsidy schedule of \$574,823 be retained for FY 2007-08.

Request to Reinstate Gardener to History Park

History Park, along with all of the other parks facilities in the City, was subject to reductions over the past five years. One of the reductions was the loss of a full-time, dedicated gardener who had been assigned to History Park for a number of years. No further reductions in parks maintenance are proposed for FY 2007-08. Parks and Recreation prepared a History Park Maintenance Plan that describes the services and frequency of services to the facility. These include general routine maintenance and repair items; landscaping such as irrigation, weed abatement, edging, pruning, etc.

Although Parks and Recreation staff has met previously with HSJ and shared the maintenance schedule, it is recommended that additional discussions take place to determine if there are additional ways in which the budgeted resources can be distributed differently to address HSJ's highest priorities.

CONCLUSION

Pending completion of a financial analysis by the City Auditor, it is recommended that the annual operating subsidy for HSJ be consistent with the adopted payment schedule of \$574,823. It is further recommended that Parks, Recreation and Neighborhood Services staff meet further with HSJ to determine how the budgeted resources for History Park can be distributed differently in order to meet the museum's highest priorities.

COORDINATION

The information in the MBA was shared with History San José and the City Auditor.

/s/
Kay Winer
Chief Deputy City Manager

Attachment

1650 Senter Road
San José, CA 95112-2599
408-287-2290
Fax 408-287-2291
www.historysanjose.org



Board Officers

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*Santa Clara County Office
of Affordable Housing*

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Dan Orloff
Orloff/Williams

Mark Ritchie
Ritchie Commercial

Keith Watt
Le Petit Trianon

May 1, 2007

Les White, City Manager
San José City Hall
200 East Santa Clara Street
San José, CA 95113

Dear Les,

Thank you for taking the time last week to meet with History San José (HSJ) to discuss the financial difficulties the Museum is experiencing as a direct result of declining City funding, and to hear about the negative effects occurring at History Park since full time City gardener, Carla Morrison, was reassigned last summer.

This letter is to confirm our conversation that History San José respectfully requests:

- 1) That the City stabilize the current City Operations Payment at the FY07 rate of \$687,323 for the coming fiscal year. Our payment is currently scheduled to drop to ~~\$538,873~~ — a difference of ~~\$148,450~~ ^{112,450} ~~574,823~~.
- 2) That the City restore Carla Morrison as the full time City gardener assigned to the 14-acre History Park beginning FY08.

Concerning the City Operations Payment— stabilizing at the FY07 Operations Payment rate will help sustain HSJ temporarily, however, it will not be a sufficient amount to carry HSJ to the end of FY08. The estimated budget for that year, according to the HSJ/City Contract, is 2.3 million. Of that amount, approximately \$1,865,000 (based on FY06 Audit) is needed to maintain basic operations of the Museum. HSJ is anxious to begin work with the

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City to determine a level of funding that is fair and reasonable to both the City and HSJ. It is understood that part of that process will include a City Audit and the development of a City approved business plan, which we welcome.

Concerning Carla Morrison—as you know, History Park serves as a primary meeting place for more than 105,000 visitors each year who attend diverse community events. Included in that number are 26,000 school children and teachers and a cadre of neighborhood joggers, power walkers, and strollers. We want to keep History Park looking its best for the community and for the rental events that gross over \$100,000 annually. We depend on this income to fund our annual operating budget. HSJ is specifically requesting Carla Morrison because of her immense and intimate knowledge of History Park as a result of caring for the Park for over 10 years.

Again, thank you for your time and consideration of this request. If you need any additional information, please do not hesitate to call Alida at 408.918.1041.

Sincerely,

Alida J. Bray
President & CEO

Margie Matthews
Board of Directors, Chair

*cc: Mayor and City Council Members,
Kay Winer, Chief Deputy City Manager
Mignon Gibson, Administrative Officer*

ATTACHMENT: HISTORY SAN JOSÉ SUBSIDY SCHEDULE

Year	FY	History San José Annual Subsidy	Supplemental Staff Payment*	History San José Total Annual Subsidy
1	1998-99	964,000	199,823	1,163,823
2	1999-00	750,000	199,823	949,823
3	2000-01	750,000	199,823	949,823
4	2001-02	750,000	199,823	949,823
5	2002-03	750,000	199,823	949,823
6	2003-04	712,500	199,823	912,323
7	2004-05	660,000	199,823	859,823
8	2005-06**	610,000	199,823	809,823
9	2006-07	487,500	199,823	687,323
10	2007-08	375,000	199,823	574,823
11	2008-09	135,262	199,823	335,085
12	2009-10	135,262	199,823	335,085
13	2010-11	135,262	199,823	335,085
14	2011-12	135,262	199,823	335,085
15	2012-13	135,262	199,823	335,085
16	2013-14	135,262	199,823	335,085
17	2014-15	135,262	199,823	335,085
18	2015-16	135,262	199,823	335,085
19	2016-17	135,262	199,823	335,085
20	2017-18	61,710	199,823	261,533
Total	98/99-17/18	\$ 8,088,068	\$ 3,996,460	\$ 12,084,528

* Details the supplemental payment that was to remain constant during the entire term of the agreement for four City staff persons that ceased working at the Museum.

** Amount adjusted to detail Subsidy reduction of \$50,000 rather than \$75,000 per direction of "Mayor's June Budget Message for Fiscal Year 2005-2006", dated June 8, 2005.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Peter Jensen

SUBJECT: CITY HALL CUSTODIAL SERVICE

DATE: May 9, 2007

Approved /s/ Date 05/09/07

This memorandum provides information and analysis regarding the possibility of using in-house staff for custodial services during the night shift at City Hall. The memo presents options for phasing in the change as a way to spread the cost impacts over more than one year.

Staff does not recommend going forward with a conversion to in-house services, and the 2007-2008 Proposed Operating Budget does not contain an investment proposal related to this issue. Any proposal that includes additional in-house services requires additional ongoing costs without a change in service level. The Council has identified one of its five 3-year goals for the budget as the elimination of the General Fund structural deficit, and a conversion to in-house services would add to that deficit.

BACKGROUND

During the Council budget study sessions for the 2006-2007 Operating Budget, the Administration was directed to analyze the possibility of converting custodial services on the night shift from being provided through contractual services to in-house staffing, to discuss possible options for accomplishing this with Municipal Employees Federation (MEF)/AFSCME 101, and to report to Council on the results of those discussions during the 2007-2008 budget process.

This memorandum provides a number of different methods that could be used to make this change. As part of the analysis of City Hall custodial services, staff undertook a larger effort to study the way that custodial services are delivered citywide. This study reviewed in-sourcing and contracted services and considered the possibilities of in-sourcing all custodial services citywide, as well as comparing San José's custodial service delivery methods to those of other major California cities. While it was concluded that a continued mix between contractual and in-house services was the best approach for the City, the analysis of citywide service models was helpful in developing several implementation options for a potential conversion to in-house custodial staff for nighttime service at City Hall. Throughout this study process, General Services engaged representatives from MEF/AFSCME for input.

5/9/07

Subject: City Hall Custodial Service

Page 2

General Services currently employs eight custodians to provide daytime custodial services (including three positions that were added in the 2006-2007 Adopted Operating Budget). These eight staff members provide light cleaning, restocking, and custodial call response services. The bulk of the heavy cleaning custodial services are programmed and completed at night while the building is vacant. This allows for the work to be done with minimal disturbance to the day-to-day operations of the facility.

ANALYSIS

In reviewing citywide custodial service models in other cities, no particular pattern was discovered. San Francisco has a roughly even split between in-house and contractual, Oakland is 100% in-house, and San Diego is 100% contractual.

Our study also examined industry standards for staffing levels on a per-square-foot basis. These standards have been used to estimate the in-house staffing complement that would be needed to provide night shift services, as well as providing supervision for the custodial positions to be added. A cost comparison of in-house costs and contractual costs is shown below (costs are rounded off, and shown in 2007 dollars):

Service Delivery	Staffing	Cost
Contract	Nighttime Full Service	\$635,000
In-House	21 custodians, 4 senior custodians, 2 custodial supervisors	\$1,829,000
Net Cost		\$1,194,000

The contract for City Hall custodial service is a performance based contract where the City pays for specific service standards set in the contract, rather than the number of hours the contractor works. Because of this, the staffing levels at City Hall fluctuate. This contract method encourages the contractor to work as efficiently as possible in order to maximize their profit while ensuring that the City's service standards are met. In turn, the City saves money through competition and benefits from any cleaning efficiencies the contractor is able to implement.

In order to spread the impact of the nearly \$1.2 million cost of this conversion over more than one year, a phase-in approach has been analyzed. A number of options have been considered and discussed with MEF/AFSCME. For operational and other reasons, staff believes the two-phase option presented below is the most feasible. An alternative option suggested by MEF/AFSCME is also presented in the Policy Alternatives section of this memo.

For the purpose of custodial services, City Hall is best divided into two sectors, the Tower and the Wing/Rotunda. Both plans presented in this memo rely on this division. In the plan presented below, the Wing/Rotunda services would be brought in-house in the first phase, with the Tower services continuing to be provided through a contractor before being brought in-house in a subsequent fiscal year. These phases may be implemented in consecutive years, although either a longer or shorter interval between implementations could also be considered.

Staffing and costs for the two-phase plan are presented below:

Chart 1 – 2-Phase Approach to In-Source Nighttime Custodial Services at City Hall

Phase	Cust. Supvr.	Senior Cust.	Custodian	Total Staff	In-House Cost	Contractual Cost	Net Cost (ongoing)
1	1	2	10	13	\$883,000	(\$317,500)	\$565,500
2	1	2	11	14	\$946,000	(\$317,500)	\$628,500
Totals	2	4	21	27	\$1,829,000	(\$635,000)	\$1,194,000

Note - This chart does not address any future increases in personal service costs

Conclusion

This approach to moving to in-house staffing for nighttime custodial services at City Hall defers some of the costs to later years. It is not recommended, however, because there is still a net cost without an increase in service levels. This net cost would contribute to an increase in the General Fund structural deficit, while the Council has identified one of its five 3-year goals for the budget as the elimination of that deficit. Until the deficit can be reduced or eliminated, staff cannot recommend going forward.

In future years, staff's consideration of whether to bring forward any proposal for conversion of nighttime custodial services at City Hall will include:

- The status of the City's General Fund budget;
- An analysis of the service level improvements that could be achieved in Citywide custodial services by adding a similar amount of funding; and
- An analysis of the service level improvements that could be achieved in the City's facilities management services by adding a similar amount of funding.

POLICY ALTERNATIVES

An alternative implementation option was suggested by MEF/AFSCME. This option also divides City Hall into two sectors, but in the first year of each of the two phases, temporary unclassified (Temp U) positions would be used. As a result, each phase would require two years to process, as shown in Chart 2 below. In the first year of each phase, Temp U custodians, along with permanent Senior Custodians and Custodial Supervisors for the supervisory structure, would be added. The second year of each phase would then convert the temporary unclassified custodians to permanent custodial positions. Under this approach, the City would evaluate converting the Temp U positions to permanent positions after at a later date as part of a subsequent budget process.

Thus Chart 2 on the following page presents Year A as the beginning of phase 1, with the following year designated as Year A+1, and Year B as the beginning of Phase 2, with the following year shown as Year B+1. Each phase operates independent of one another and as a result can be implemented at any time, just as in the two-phase option described above.

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Subject: City Hall Custodial Service

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Chart 2 – Phasing Plan Using Temp U Positions for Nighttime Custodial Services at City Hall

Phase	Year	# Staff	Employ. Status	Cost
Phase 1	Year A	10 custodians	Temp U	\$328,000
		3 supervision staff	Permanent	\$251,000
		Contractual	Contract	(\$317,500)
		Year A Net Cost		\$261,500
	Year A+1	10 custodians	Temp U → Perm	\$304,000
		Year A+1 Net Cost		\$304,000
Phase 2	Year B	11 custodians	Temp U	\$360,000
		3 supervision staff	Permanent	\$251,000
		Contractual	Contract	(\$317,500)
		Year B Net Cost		\$293,500
	Year B+1	11 custodians	Temp U → Perm	\$335,000
		Year B+1 Net Cost		\$335,000
Total Ongoing		27 positions	Permanent	\$1,194,000

Note - This chart does not address any future increases in personal service costs

This option defers the costs over a longer period of time than the two-phase option, lessening the budget impact in any particular year on a one-time basis. However, it is not staff's preferred option, because temporary unbenefitted status for the first year would make it more difficult to recruit candidates, and would leave new employees in a lower status for a year (without access to civil service rights, City rates of pay, benefits, or seniority in class), even though they would be doing the same duties as full-time permanent staff.

COORDINATION

This MBA has been coordinated with Office of Employee Relations. Representatives from MEF/AFSCME were included in discussions of the analysis and different options, and their suggestions have been included as a policy alternative.

/s/
PETER JENSEN
Director of General Services

ANALYSIS

1. **Sunshine Reform Task Force Staffing:** This proposal would continue a temporary administrative support position and provide additional support materials to sustain the work of the Sunshine Reform Task Force, as well as initial implementation efforts. (\$100,000 one-time).
2. **Sunshine Reform Task Force Legal Support:** \$50,000 in one time funding for the City Attorney's Office would provide continued legal support to the Sunshine Reform Task Force.
3. **City Clerk:** This proposal would add an Analyst position (\$91,400 ongoing) to increase capacity in the Office of the City Clerk for posting of meeting notices, agendas, related materials, and minutes for all of the city's approximately 55 Boards, Committees and Commissions, respond to requests for information, and expand access to public records. In addition, the proposal will provide funding (\$25,000 one-time) for computer/scanner upgrades, and for a citywide Public Records Act training program to ensure timely and accurate compliance.
4. **Public Records Manager:** This recommendation would add a Public Records Manager position (\$131,100 ongoing) with responsibility for citywide electronic and paper document management and retention. This position will lead the City's document retention and management practices. At this time, we believe this position would best be placed in the City Manager's Office, however discussions with the City Clerk's Office are ongoing to determine whether it would be better placed in that office.
5. **I.T. Technical Assistance:** This recommendation at an ongoing cost of \$42,500 will provide contractual technical support for a new content management application software system that the Information Technology Department would purchase using funds in the technology reserve (also recommended in the *2007-2008 Proposed Operating Budget*).
6. **Video/Multimedia Producer:** This proposal, at an ongoing cost of \$65,000 will make permanent the addition of a position that was added temporarily this spring to facilitate cablecasting of additional public meetings on *CivicCenter Television*. Since moving into new City Hall, meeting coverage has expanded significantly without the addition of staff. Two years ago, meeting coverage was limited to City Council meetings and an occasional Study Session. Because most study sessions were held offsite, these were handled by an outside contractor. Since moving into the new City Hall, the amount of time spent in meeting coverage has nearly doubled. In addition, the City's comprehensive online webstreaming system, which was also added since moving to the new City Hall, has created an additional significant workload to this unit. The Sunshine Reform Task Force and the Reed Reforms have created an expectation that Planning Commission meeting coverage will be added to the list of meetings televised and webstreamed by CivicCenter Television. The addition of Planning Commission meeting coverage will require more hours of meeting coverage, but more importantly more nighttime hours which presents a scheduling challenge. This proposal will allow the commencement of Planning Commission Meeting coverage to

begin at the start of the fiscal year. The additional \$30,000 necessary to fully fund this position would come from Citywide Outreach and Education.

7. Light and Sound Technician Contract Support: This proposal would provide \$20,000 in ongoing funding to General Services for increased audio-visual meeting support. Currently, two staff Light and Sound technicians provide both set up and meeting support for all audio-visual services at City Hall. This proposal would add capacity in General Services to contract for additional A-V support for Planning Commission meetings coverage and to meet peak work demands when competing meetings require simultaneous support for multiple public meetings.
8. Website Evaluation: The City's website has become the primary vehicle to make City information available to the public and through which the public learns about and makes assumptions about the City. While the Sunshine Reform Task Force has yet to complete its work, it is clear that the push for Sunshine will increase the City's use of the website as a mechanism to improve transparency. This proposal would provide \$250,000 for a comprehensive website analysis to evaluate the City's web services in the following ways:
 - a. Assessment of technologies and tools: A comprehensive review of services needed from the City's website will include: 1) an evaluation of the existing sites features and functions; 2) the unmet needs as defined by a variety of focus groups that access the website; and, 3) a review of the prominent technologies and tools employed by other public and private organizations utilizing the internet as a principal communications medium. This review will include features and functions of search capabilities, security and encryption capacities, site links, pop ups and drop downs, notification tools, email messaging, chat room features, and other industry standard optional tools and technologies which would enhance the functionality as service of the City's website.

To address anticipated Sunshine Reform requirements, web tools will need to include the capability of:

- i. searching large collections of data stored in multiple digital forms;
 - ii. allocating usage, and tracking information for billing purposes;
 - iii. conducting dynamic and interactive surveys;
 - iv. completing dynamic and interactive forms;
 - v. presenting video material on request;
 - vi. providing linkage to other related site locations;
- b. Navigation and design: Using new tools and technologies to create and maintain a large volume of data for public is only part of the solution. There is a critical need to redesign the navigation structure by which the public and private customer easily and naturally access the information desired in an efficient and effective manner. Absent this work, the information may be available online, but may not be found. Attention will be given to the format and content of the City's homepage, the links to important

information, and the guides available to assist customer to readily tour the various information sources with a high degree of ease.

8. Expanded Electronic Storage: This proposal sets aside \$325,000 (one-time) to meet the unique data storage needs that will be required for the new retention and retrieval rules resulting from the Sunshine Reform ordinances and policies. The current data storage and retrieval systems have been established by the various departments for the purpose of meeting their day-to-day operational requirements, as well as for normal backup and recovery purposes. This increased storage and improved retrieval tools would be purchased as an additional module for the Storage Area Networks (SANS) system that is currently being purchased. The module cost will be determined by the final policies and guidelines recommended by the Task Force and adopted by the City Council, which will establish the volume and retention schedule for data to be stored and the sophistication of the software retrieval tools appropriate to Sunshine. This recommendation will also address concerns raised by the City Attorney's Office over new Electronic Discovery requirements.

CONCLUSION

The proposals contained in this MBA will allow the City to make significant progress in increasing transparency and access to public meetings and records, and will provide continued support of the Sunshine Reform Task Force.

COORDINATION

The information in this memorandum has been coordinated with the City Clerk's Office, City Attorney's Office, along with the General Services and Information Technology departments.

/s/
Tom Manheim
Public Outreach Manager



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

SUBJECT: 2007-2008 PROPOSED OPERATING BUDGET: LOCATION OF
POSITION INFORMATION **DATE:** May 9, 2007

Approved	/s/	Date	05/15/07
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BACKGROUND

This memorandum is prepared in response to a request made by Councilmember Constant at the May 7, 2007 Budget Study Session to provide further information as to the specific location of position information in the 2007-2008 Proposed Operating Budget.

ANALYSIS

Please see attached table for information that details the exact location of position information in the 2007-2008 Proposed Operating Budget.

/s/
Larry D. Lisenbee
Budget Director

2007-2008 Proposed Operating Budget: Location of Position Information

Tab	Title	Page	Description
Summary Information	Summary of Total Staffing By City Service Area	III-53 - III-57	This pie graph and chart details staffing changes by CSA, with a breakdown by core service, between the 2006-2007 Adopted Budget and 2007-2008 Proposed Budget
Summary Information	Summary of Total Staffing By Department	III-58 - III-60	This pie graph and chart details staffing changes by department, identifying reductions, additions, inter-department transfers, and total changes between the 2006-2007 Adopted Budget and 2007-2008 Proposed Budget
History and Trend Information	Five-year Comparison of Total Staffing by City Service Area	IV-14 - IV-18	This graph and chart displays a five-year comparison of total staffing by CSA, with a breakdown by core service.
History and Trend Information	Five-year Comparison of Total Staffing by Department	IV-19 - IV-20	This graph and chart displays a five-year comparison of total staffing by department.
City Service Areas	Proposed Investment Changes	VII-45 - VII-46; VII-148 - VII-149; VII-229 - VII-230; VII-309; VII-405 - VII-407; VII-513 - VII-515; VII-622 - VII-623	These pages display proposed CSA budget changes from the 2007-2008 Forecast Base Budget to the 2007-2008 Proposed Budget by city service area.
City Departments	Department by Budget Summary, Budget Reconciliation, and Department Position Detail	VIII-1 - VIII-135	These pages display authorized position history and position changes by department from the 2006-2007 Adopted Budget through the 2007-2008 Proposed Budget by detailed budget change and position classification.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Dan McFadden

SUBJECT: HP PAVILION AT SAN JOSE
CAPITAL BUDGET
RECOMMENDATIONS

DATE: May 15, 2007

Approved

/s/

Date 05/15/07

RECOMMENDATION

It is recommended that the City Council approve the attached HP Pavilion Capital Repairs and Replacement Budgets for 2007-2008 as submitted by the San José Arena Authority Board of Directors.

BACKGROUND

In accordance with the agreement between the City of San José and the San José Arena Management (Silicon Valley Sports and Entertainment), the Capital Repairs and Replacement budget for 2007-2008 is presented to the City Council for approval. This budget is supported by the existing Arena Capital Reserve Fund that was established for this purpose. Over the last several years, both the City and Silicon Valley Sports and Entertainment (SVSE) have made contributions to the Arena Capital Reserve Fund per the agreement.

ANALYSIS

The San José Arena Authority Board of Directors reviewed and recommends that City Council approve the annual capital budget for 2007-2008. Lists of the individual capital improvements recommended are attached for your reference. For 2007-2008, the normal capital repairs and replacements budget totals \$473,500. An additional \$16,500,000 proposed for capital enhancements, were approved separately by the City Council on May 8, 2007.

The Arena Capital Reserve Fund has sufficient funding to support the normal capital repairs and replacements proposed for 2007-2008. After these costs are taken into consideration and with conservative revenue and expenditure projections, the remaining balance in this fund at the end of 2007-2008 is projected at \$800,000. SVSE has also developed a preliminary five-year plan for normal capital repairs and replacements at the HP Pavilion. With the projected contributions

HONORABLE MAYOR AND CITY COUNCIL

May 15, 2007

Subject: HP Pavilion Annual Capital Repairs and Replacement Budget

Page 2

from both the City and SVSE over this period, the Arena Reserve Fund will be able to fully fund the projected improvements necessary at the HP Pavilion over the next five years.

COORDINATION

Staff from the San José Arena Authority, SVSE, and the City have coordinated to present this budget as part of the City's annual budget process.

/s/

Dan McFadden

Deputy City Manager

Attachment

HP PAVILION AT SAN JOSE
Capital Budget Recommendations for 2007-2008

Normal Capital Repair/Replacement	2007-2008 Budgeted Amount
Replace carpet in ticket office, visitor locker rooms, and press rooms	85,000
Replace original rider scrubber (cleaning equipment)	65,000
Replace concrete on exterior walkways	20,000
Replace interior panels in elevators	5,500
Replace mirrors in restrooms	10,000
Replace sheaves on cables to scoreboard	12,000
Replace four ice machines	15,000
Replace washing machine in laundry room	13,000
Repair air conditioning chillers - items found during annual vibration analysis	8,000
Repair brine chillers - items found during annual vibration analysis	11,000
Replace building automation system equipment no longer supported by vendors	55,000
Replace three variable speed drives on pumps (HVAC)	15,000
Install cameras and monitors in various locations around building (8)	45,000
Replace plexiglass around hockey rink	24,000
Replace zamboni (original ice resurfacers)	70,000
Unanticipated Repairs	20,000
Total Normal Capital Repairs and Replacements	473,500
Capital Enhancements*	
Replace center hung scoreboard used for building events	4,950,000
Replace monochrome and backlit display panels on the fascia of the upper seating area with new LED color display	2,700,000
Replace original main sound system in seating area	1,500,000
Redesign interior steel support structure to allow higher weight loads to be hung	1,600,000
Replace equipment in control room to support HD broadcast and new scoreboard capability	3,000,000
Consultant and contingency for 2007-2008 capital enhancement projects	1,750,000
Design and install acoustic improvements throughout seating area	1,000,000
Total Capital Enhancements*	16,500,000
Total 2007-2008 Proposed Capital Budget	16,973,500

* Approved separately by the City Council on May 8, 2007 to be funded by Arena Management and the City of San José.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ed Shikada

**SUBJECT: LEED COST ANALYSIS FOR
PIPELINE PROJECTS**

DATE: May 15, 2007

Approved /s/

Date 05/15/07

RECOMMENDATION

1. Accept the Cost-Benefit analysis for implementing USGBC LEED measures for six projects currently underway.
2. Direct staff to proceed with the following targets :
 - a. USGBC LEED target of Silver Certification for the following projects: Bascom Branch Library and Community Center (Joint Facility), Seventrees/Solari Joint Facility, Police Substation.
 - b. Green Building principles incorporated to the best extent possible for Fire Station No. 36.
 - c. A cost benefit analysis to be done for Educational Park and Southeast Branch Libraries once site selection has been completed and preliminary design work has begun.
3. Adopt the following amendments to the 2007-2008 Proposed Capital Budget in the Branch Libraries Bond Projects Fund (472):
 - a. Increase the Bascom Branch appropriation in the amount of \$318,000;
 - b. Increase the Seventrees Branch appropriation in the amount of \$313,000; and
 - c. Decrease the Contingency Reserve: Library Bond Projects in the amount of \$631,000.
4. Adopt the following amendments to the 2007-2008 Proposed Capital Budget in the Parks and Recreation Bond Projects Fund (471):
 - a. Increase the Bascom Community Center Multi-Service appropriation in the amount of \$318,000;
 - b. Increase the Solari Community Center Multi-Service/Senior appropriation in the amount of \$625,000; and
 - c. Decrease the Ending Fund Balance in the amount of \$943,000.

OUTCOME

Acceptance of the staff report and recommendations will allow staff to continue work on the projects currently underway along with appropriate funding to target the approved LEED certification level.

EXECUTIVE SUMMARY

Staff has performed an analysis on six pipeline projects to look at the potential of achieving LEED Silver or Gold using two strategies: (1) with minimum initial investment, and (2) with maximum return on investment. In addition to direct costs and benefits, the analysis also takes into account the environmental and occupant health and productivity benefits for their recommendations. Staff is recommending targeting LEED Silver for Bascom Branch Library and Community Center (Joint Facility), Seventrees/Solari Joint Facility, and the Police South Substation projects with the minimum possible initial investment. Staff is recommending a best effort for the Fire Station No. 36 project due to various project constraints. Since a large part of the analysis is site dependent and at this time Educational Park and Southeast Branch Libraries do not yet have sites selected, staff is recommending performing detailed analyses for these projects at a later date.

It should be noted that this recommendation was not based strictly on quantitative analysis, and that staff has reservations about reallocating bond reserves to augment the funding for Bascom Branch Library and Community Center and Seventrees/Solari Joint Facility. These reserves have been put aside to hedge against market volatility and other uncertainties that may affect bond projects yet to be awarded, and therefore future funding actions or scope modifications may be required for the remaining bond projects. However, taking into account the City's environmental priorities and lack of other funding sources, staff believes that this is the appropriate course of action at this time.

BACKGROUND

On March 6, 2007 Council adopted Resolution No. 73676 approving the amended Green Building Policy with the modification to achieve at a minimum the USGBC LEED Silver level of certification with a goal of achieving LEED Gold or Platinum for certain projects budgeted in FY 07-08 or thereafter.

In November 2006, Council had also requested staff to analyze projects that have already been budgeted to look at their potential for LEED. As part of this analysis staff identified five projects that were currently underway as potential candidates for LEED Silver or higher. In the March Council memo, staff used a placeholder number of 3% of construction costs for these projects to calculate additional upfront costs for LEED Silver certification. This number was to be validated through a further detailed cost benefit analysis, the results of which would be brought forward through a Manager's Budget Addendum (MBA) in the Fiscal Year 07-08 Budget process along with any additional funding recommendations. Council accepted staff's recommended strategies

for the “pipeline” projects which comprised of the Bascom Branch Library and Community Center, the Solari/Seventrees Joint Facility, Educational Park Branch Library, Fire Station No. 36 and Southeast Branch Library.

ANALYSIS

This report provides information on the cost benefit analyses that was done for the five pipeline projects as well as an analysis for the Police Substation project which is currently in the construction documents phase.

The United States Green Building Council’s (USGBC) Leadership in Energy and Environmental Design (LEED) system is still fairly new and the body of actual performance information for City facilities is relatively thin. In order to gain some consensus regarding costs and benefits for the local area and to draw from the experience of leading professionals in this area, staff hosted an all day workshop on March 12, 2007 to discuss costs and benefits for every point on the LEED scorecard. The workshop included consultants in the fields of sustainability, building life-cycle and construction costs along with several architectural firms that are providing design services for various projects underway. The session also included staff participation from General Services, Public Works, City Manager’s Office, Environmental Services, Library and Parks. The goal of the workshop was to identify and prioritize the most achievable points considering both costs and benefits as a means for the City to target the most cost effective approach to implementing green building measures. While the initial effort was for specific pipeline projects, the information gathered and the worksheet developed will serve as a planning and budgeting tool for future projects as well.

As stated in the March 6, 2007 Council presentation, LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. This approach can result in potential environmental, occupant health and financial benefits.

Environmental Benefits: Of these three potential benefits, the environmental benefits can be the most significant on a regional and international scale, however, they are also the hardest to quantify. Environmental benefits can include:

- Reduced pollutants such as those associated with paint, adhesives, carpets, and wood, all of which generally contain a wide array of chemical pollutants. Green buildings contain low-emitting materials and thus pose less of a risk to the building’s occupants and the natural environment.
- Reduced construction waste: Green buildings incorporate recycled materials and reduce construction scrap materials, thus preventing those materials from ending up in landfills.
- Reduction of greenhouse gas emissions: Green buildings help to reduce fossil fuel consumption through energy efficiency and the use of clean energy technologies. This reduction of fossil fuel consumption is important not only for curbing the long-term impacts of global climate change but also for protecting the natural environment today.

- Forest Ecosystem Protection: Sustainable forest products certified by the Forest Stewardship Council can significantly reduce buildings' impacts on forest ecosystems. For a forest product to be certified as sustainable, the forest management unit must demonstrate responsible forestry practices, including forest ecosystem maintenance, long-term timber management plans, and wildlife surveys.

Occupant Health Benefits: Staff has attempted to capture the financial benefits of occupant health benefits by using a percentage factor for improved productivity. Several studies have been done that attempt to quantify these benefits. This analysis is based on an October 2003 study titled "The Costs and Financial Benefits of Green Buildings" by Gregory H. Kats of Capital E. The study was commissioned by the State of California's Sustainable Building Task Force, a group of over 40 state agencies run through the Governor's Office. This was the first study of its kind to fully aggregate the costs and benefits of green buildings. The report analyzed existing cost/benefit data as well as data collected from State buildings. Based on the study, staff has attributed a 1% productivity and health gain to the Silver level and a 1.5% gain to the Gold level. This is based on the assumption that green building measures such as increased daylight, individual thermal comfort, controlled lighting levels, and better indoor air quality lead to better employee health and productivity.

Of the six projects being analyzed, four of them are neighborhood serving projects with a lower full time occupant population and high transient user population. Of the remaining two projects, Fire Station No. 36 has a small number of 24-hour staff on duty while the Police Substation has a high number of 24-hour staff on duty along with a lower transient population. The analysis, as expected, shows that anticipated financial benefits are closely linked to the magnitude of occupant population. Thus, of all the projects analyzed, the Police Substation project shows the maximum potential financial benefit and return on investment due to the anticipated increased productivity level of a very large staff population. Although these anticipated savings do not directly translate into General Fund savings, it is theorized that savings would be realized due to future cost avoidance resulting from increased employee health and productivity.

Financial Benefits: The cost/benefit analysis has been calculated using the following methodology. Staff has taken into consideration the premium costs, including construction and project delivery costs, for every LEED point. If a "green" element is already required by Code or is a City standard no additional costs have been factored in. Similarly, any additional savings or costs related to utilities, equipment and operation and maintenance costs have also been captured. Thus, only the delta between standard City practices and special LEED requirements have been used for the analysis. It is important to note that some of the requirements such as stormwater management and reduction of heat island effect on the roof will be required by Code for future projects and thus will not be considered as premium costs.

Key assumptions that have been made for the cost/benefit analysis are:

1. Utility escalation rates have been assumed based on trend data from the California Energy Commission and PG&E - 6% for power and gas, 4.5% for water
2. Labor and equipment escalation rate of 3% is based on trend data provided by Davis Langdon, a cost estimating firm used for several City projects.

3. A discount rate of 5% has been used to calculate Present Value of O&M costs over the life of the building.
4. Employee productivity has been assumed to lead to a 1% increase in productivity for Silver and 1.5% increase for Gold.
5. The project life is assumed to be 40 years.
6. A cushion of 5 points has been factored into each LEED Level target.

For each of the projects being analyzed, staff is targeting Silver or Gold certification using two discrete strategies: 1) minimum upfront costs, and 2) maximum financial return on investment. Thus, upfront costs for achieving the same LEED level vary substantially. The points have been organized and grouped into Certified, Silver, Gold and Platinum categories based on the project's opportunities as well as the specific strategy being used.

Through several discussions between staff of various departments as well as consultants, it has become apparent that although LEED results in significant energy and water efficiencies, it does not always result in a reduction in operation and maintenance costs. More complex energy systems, customized controllability, single ply roofing systems, vegetated roofs, bio swales, increased glazing areas and materials with greater recycled content could translate into more service calls and shorter replacement cycles. Thus, operational savings due to energy and water efficiencies and maintenance savings due to enhanced commissioning could be offset to some extent by the increased costs mentioned above. Staff is cognizant of the fact that some of the materials, equipment and maintenance practices that are considered a premium at this time will likely become mainstream in the future and has taken this into account in calculating future replacement and maintenance costs for the appropriate elements.

Below is a summary of the cost/benefit analysis and proposed strategies for each of the projects. Additional information on the cost and savings breakdown is included in Attachment A.

- **Bascom Branch Library and Community Center** – Baseline LEED approach: This project is currently being designed to LEED Certified level, however, costs for actual certification have not been budgeted for.

Incremental budget implication for LEED Certification: An additional \$100,000 will be needed to cover documentation costs for the certification process.

Incremental strategies for LEED Silver: Recycled content materials, use of certified wood, 95% of construction waste diversion from landfills and a storm water management system to manage the rate of flow and to reduce the quantity of pollutants, enhanced refrigerant management; separation of indoor chemicals and pollutants from occupants; a 30% reduction in the use of potable water enhanced commissioning of building systems and ongoing measurement and verification of energy utilization.

Total additional upfront costs: \$636,000

Total additional annual O&M costs: \$9,000

Incremental strategies for LEED Gold: A storm water management system to manage the type of pollutants entering the storm drains; day light and views for 90% of the

interior spaces, increased ventilation; a more energy efficient HVAC system, and on-site renewable energy.

Total additional upfront costs: \$1,316,000

Total additional annual O&M costs: \$17,000

- **Seventrees / Solari Joint Facility** - Baseline LEED approach: This project is currently being designed to LEED Certified level, however, costs for actual certification have not been budgeted for.

Incremental budget implication for LEED Certification: An additional \$100,000 will be needed to cover documentation costs for the certification process.

Incremental strategies for LEED Silver: Storm water management system to manage the rate of flow and to reduce the quantity of pollutants as well as to manage the quality of pollutants, enhanced refrigerant management, reduction of the heat island effect; separation of indoor chemicals and pollutants from occupants, ongoing monitoring of the CO₂ levels; more energy efficient HVAC system, enhanced commissioning, measurement and verification of energy utilization, and a 30% reduction in the use of potable water.

Total additional upfront costs: \$ 938,000

Total additional annual O&M costs: \$8,000

Incremental strategies for LEED Gold: Further reduction of the heat island effect, 95% of construction waste diversion from landfill, improved ventilation and day light and views to the outside from 90% of the interior spaces.

Total additional upfront costs: \$1,378,000

Total additional annual O&M costs: \$16,000

- **Police Substation** – Baseline LEED approach: This project is currently being designed to LEED Silver level using the following strategies: diversion of construction waste from landfills and a storm water management system including a vegetated roof; green housekeeping, increased daylight and views to the outside from 75% of the interior spaces, and use of low emitting materials; a 30% reduction in the use of potable water, a high efficiency HVAC system and measurement and verification of energy usage.

Incremental strategies for LEED Gold: Use of materials with a 20% recycled content, use of rapidly renewable materials, increased ventilation, reduction of the heat island effect.

Additional upfront costs: \$791,000

Total additional (from LEED Silver) annual O&M savings: \$(3,000)

- **Fire Station No. 36** – Baseline LEED approach: This project is currently incorporating green building principles to the maximum extent possible.

Incremental strategies for LEED Certification: Use of materials with recycled content, use of regional materials; outdoor air delivery monitoring, separation of indoor chemicals and pollutants; fundamental building commissioning.

Additional upfront costs: \$ 377,000

Total additional annual O&M costs: \$3,000

Incremental strategies for LEED Silver: Storm water management system to manage the pollutants, use of certified wood and rapidly renewable materials, enhanced refrigerant management, and encouraging the use of fuel efficient vehicles; daylight and views to the outside from 90% of interior spaces, and increased ventilation, a more energy efficient HVAC system, enhanced commissioning of building systems and reduction in the use of potable water.

Total additional upfront costs: \$870,000

Total additional annual O&M costs: \$8,000

Incremental strategies for LEED Gold: Further optimization of energy usage and on-site renewable energy.

Total additional upfront costs: \$1,636,000

Total additional annual O&M costs: \$14,000

- **Educational Park Branch Library** – Baseline LEED approach: This project is currently targeting designing to a LEED certified level, however costs of certification have not been budgeted for.

Incremental budget implication for LEED Certification: An additional \$100,000 will be needed to cover documentation costs for the certification process.

Incremental strategies for LEED Silver: Use of rapidly renewable materials, a reduction in the heat island effect, and enhanced refrigerant management; increased daylight and views to the outside, separation of indoor chemicals and pollutants from occupants, and better indoor air quality due to a management plan during construction as well as ongoing monitoring of carbon dioxide levels in the air supply; enhanced commissioning, measurement and verification of energy usage and a 30% reduction in the use of potable water.

Total additional upfront costs: \$413,000

Total additional annual O&M savings: \$(1,000)

Incremental strategies for LEED Gold: Storm water management system to manage the quality of pollutants and encouraging alternate transportation; increased ventilation, day light and views from 90% of interior spaces, greater thermal comfort, and further optimization of energy usage.

Total additional upfront costs: \$791,000

Total additional annual O&M costs: \$17,000

- **Southeast Branch Library** – Baseline LEED approach: This project is currently targeting designing to a LEED certified level, however costs of certification have not been budgeted for.

Incremental budget implication for LEED Certification: An additional \$100,000 will be needed to cover documentation costs for the certification process

Incremental strategies for LEED Silver: Use of regional and rapidly renewable materials and enhanced refrigerant management; increased daylight and views to the outside from 75% of interior spaces, separation of indoor chemicals and pollutants from occupants, and better indoor air quality due to a management plan during construction as well as ongoing monitoring of carbon dioxide levels in the air supply; enhanced commissioning, measurement and verification of energy usage and a 30% reduction in the use of potable water.

Total additional upfront costs: \$364,000

Total additional annual O&M costs: \$1,000

Incremental strategies for LEED Gold: Storm water management system to manage the quality of pollutants, increased ventilation, day light and views from 90% of interior spaces, and on-site renewable energy.

Total additional upfront costs: \$676,000

Total additional annual O&M costs: \$17,000

Recommendations: Although the above analysis does not demonstrate any significant financial advantage to raising LEED targets, there are other benefits to doing LEED as have been mentioned above, including environmental and occupant health benefits in addition to some financial benefits.

Taking into account these benefits and the City's desire to establish a leadership role in the area of environmental sustainability, staff believes that it is important to move ahead with a higher LEED goal on some of the projects being analyzed.

Based on the costs and the strategies being proposed, staff is recommending the following:

Bascom Branch Library and Community Center (Joint Facility) and Seventrees/Solari Joint Facility:

Staff is recommending targeting LEED Silver on both of these projects at a total additional upfront cost of \$1,574,000.

Police Substation :

Staff is recommending that this project continue to strive for LEED Silver. As stated in the March 6, 2007 memo, this project was being designed to potentially achieve LEED Silver. However, the recent 50% construction documents did indicate a substantially higher than anticipated cost estimate, some of which can be attributed to the LEED elements being incorporated into the project such as a vegetated roof, an extensive storm water management

system and a more efficient HVAC system. Though staff is not recommending adding any additional funding to this project specifically for LEED Silver, it should be noted that the overall budget for this project is proposed to be augmented in the FY 07-08 Budget by tapping the contingency reserve as well as by reducing scope on the 911 Communications Dispatch Center project.

Fire Station No. 36:

Staff is recommending incorporating green building principles to the maximum extent possible on this project. It should be noted that all of the library and community center projects are already being designed to a certified level and thus the additional cost of certification is only for the actual documentation whereas Fire Station No. 36 is not being designed to a certified level and will need a substantial amount of funding to even obtain certification. This is due to the fact that when the project was budgeted, it was programmed to be less than 10,000 square feet and only needed to incorporate green building principles to the maximum extent possible per the 2001 Green Building Policy. In 2004, the program was reevaluated and the square footage increased to about 11,500 square feet. The increased square-footage coupled with construction cost escalation has created a funding challenge for the project and it is currently challenged to meet even the LEED certified equivalency.

The entire Public Safety Bond Program itself is also challenged with regards to funding and this has necessitated the proposed FY 07-08 budget to recommend two projects, the East and South Community Policing Centers to be put on hold as well as the significant downsizing of two other projects, Fire Station No. 2 and the 911 Communications Dispatch Center projects. Balancing the entire program's needs against the limited funding resources available to this project has led staff to the above recommendation.

Educational Park and Southeast Branch Libraries:

Though a cost benefit analysis has been completed for these two projects, the results of this analysis are limited due to the fact that sites have not yet been selected for this project. Staff is recommending that more specific analyses of these projects be done once site selection has been completed and the projects are in the preliminary design phase. Any funding recommendations will be brought forward as part of those analyses.

Funding Strategy and Implications: Staff is recommending the funding strategy stated below. Impacts of this strategy are also described below.

In order to fund the costs necessary to achieve LEED Silver for the Bascom Branch Library and Community Center, funding augmentations totaling \$636,000 are proposed, offset by reductions of \$318,000 from the Contingency Reserve: Library Bond Projects in the Branch Libraries Bond Projects Fund and a decrease of \$318,000 from Ending Fund Balance in the Parks and Recreation Bond Projects Fund.

In order to fund the costs necessary to achieve LEED Silver for the Seventrees Branch Library and Solari Community Center Joint Facility project, funding augmentations totaling \$938,000 are proposed, offset by reductions of \$313,000 from the Contingency Reserve: Library Bond

Projects in the Branch Libraries Bond Projects Fund and a decrease of \$625,000 from Ending Fund Balance in the Parks and Recreation Bond Projects Fund.

As a result of these actions, proposed funding in the Contingency Reserve: Library Bond Projects in the Branch Libraries Bond Projects Fund for 2007-2008 would decrease from \$1,360,807 to \$729,807. The 2007-2008 Proposed Ending Fund Balance in the Parks and Recreation Bond Projects Fund would decrease from \$4,554,155 to \$3,611,155. (Ending Fund Balance at the end of 2009-2010 in the 2008-2012 Proposed CIP would decrease from \$2,535,155 to \$1,592,155). It should be noted, however, that these reserves provides a cushion of about 1.6 % for the Library Bond program and about 2% for the Parks Bond program to hedge against higher than anticipated bids as well as other unforeseen conditions. In January 2007, a memo on the status of the bond programs was presented to Council. The memo highlighted the fact that due to high volatility and significant escalation of construction prices in the last two years, reduction in project scopes and budget increases have been required to keep the building program on track for the past three consecutive years and the remaining bond projects continue to be at risk with regards to maintaining already established scopes. Thus, using \$631,000 from the Library Bond and \$943,000 from the Parks Bond could potentially be putting these project scopes further at risk.

For the Library's share of the incremental cost increase to attain LEED Silver Certification, the only potential funding source, without significantly impacting library materials or other projects, is the Program Contingency Reserve. In the next fiscal year, construction awards are planned for four projects - Bascom, Seventrees, East San Jose Carnegie, and Santa Teresa. Combined, the construction budget for these four projects totals \$40,780,000. The only other significant reserves in the Library Capital Program provide materials, furniture, and computers for the new branches, as well as a technology reserve to improve efficiency and allow staff to respond to higher than anticipated usage at some of the new branches.

In the Park Bond several of the larger bond projects such as the Happy Hollow Park and Zoo project, the two joint facilities included in this analysis, the sports parks, and two of the larger trail projects, have yet to be awarded and reducing the contingency would further hamper the City's ability to hedge against market volatility.

Return on Investment

For all the projects, staff also analyzed targeting LEED Silver or Gold using a maximum return on investment approach. This can be achieved by focusing on more energy efficient HVAC systems and on on-site renewable energy solutions such as photovoltaic panels. Though this strategy may be more beneficial in the long term it requires a significantly higher initial investment which is infeasible at this time. Recognizing the potential benefits of using photovoltaic panels, staff is recommending providing infrastructure for the panels for all the three projects recommended to target LEED Silver, with the option of installing the panels at a later date either through other funding sources or through a public-private partnership.

POLICY ALTERNATIVES

The following alternatives are offered for consideration:

Alternative 1: Continue best effort on all projects within available funding.

Pros: Will not require any additional funding

Cons: Does not align with Council direction to strive for higher sustainability goals.

Alternative 2: Fund recommended Silver projects with monies from the FF&E Reserve in the General Fund

Pros: Will leave the bond programs intact, will not take away C&C or Park Trust funds for other potential projects

Cons: Will take away part of a reserve that is meant for all of the GO bond projects.

Alternative 3: Fund recommended Silver projects from Park C&C or Park Trust funds

Pros: Will not put other bond projects at risk

Cons: Will take away monies from land acquisition funds from districts that are already deficient in parkland

Alternative 4: Recommend all six projects target Silver LEED

Pros: Will align existing projects with current City Policy

Cons: Will require an additional \$1.65 million in funding

Alternative 5: Recommend all six projects target LEED Gold

Pros: Will put City in a leadership role in setting sustainability standards

Cons: Will require an additional \$5 million in funding

CONCLUSION

With the recently amended Green Building Policy the City has shown its desire to position itself as a leader in environmental sustainability. The analysis has demonstrated that along with additional upfront costs there is a potential for increased maintenance costs. These costs could be offset by potential utility and operational savings over the life of the building resulting in net costs or savings depending on the specific strategies being used. The actual costs or savings that may be realized are hinged on several factors including future utility rates, advances in green technology and operational efficiencies. The analysis also shows that all of the LEED practices have either an environmental or user benefit.

Taking into consideration all of the far reaching benefits of LEED and Council direction to strive for the highest level possible while balancing against the financial resources available, staff is recommending LEED Silver certification as the target for three of the six projects being analyzed: Bascom Branch Library and Community Center, Seventrees/Solari Joint Facility, Police Substation; and a best effort to incorporate green building principles in the Fire Station No. 36 project.

Staff is recommending that Educational Park and Southeast Branch Libraries be analyzed at a later date once the sites have been selected and preliminary design is underway

PUBLIC OUTREACH

This item does not meet any of the special outreach criteria below

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum was coordinated with the Green Building Executive Steering Committee, the Departments of Public Works, Environmental Services, Library, Parks, Recreation and Neighborhood Services, Police, Fire, General Services, Finance, City Manager's Budget Office, and the City Attorney's Office.

/s/
ED SHIKADA
Deputy City Manager

For questions please contact ED SHIKADA, Deputy City Manager, at 408-535-8190.

Attachments (2)

Attachment A – Summary of costs and savings for all projects. All costs/savings are expressed in the thousands.

Project Name	LEED Level	Total add. upfront costs	Add. costs as % of construction costs	Total add. annual O&M costs /(savings)	Present value* of total O&M costs/(savings)	Present value* of total est. (savings) from workforce productivity
Bascom Branch Library and Community Center (40,000 square feet)	Certified	\$100	0.5%	NA	NA	NA
	Silver	\$636	2.9%	\$9	\$208	\$(433)
	Gold	\$1,316	6.1%	\$17	\$675	\$(650)
Seventrees/Solari Joint Facility (60,000 square feet)	Certified	\$100	0.3%	NA	NA	NA
	Silver	\$938	3.2%	\$8	\$415	\$(553)
	Gold	\$1,378	4.7%	\$16	\$751	\$(829)
Police Substation (105,000 square feet)	Certified	\$100	0.2%	NA	NA	NA
	Silver	\$1,539	3.1%	\$55	\$2,323	\$(6,390)
	Gold	\$2,330	4.6%	\$52	\$2,082	\$(9,584)
Fire Station No. 36 (11,500 square feet)	Certified	\$377	6.9%	\$3	\$300	NA
	Silver	\$870	15.8%	\$8	\$582	\$(913)
	Gold	\$1,636	29.8%	\$14	\$1,041	\$(1,370)
Educational Park Branch Library (18,000 square feet)	Certified	\$100	1.1%	NA	NA	NA
	Silver	\$413	4.4%	\$(1)	\$(13)	\$(264)
	Gold	\$791	8.5%	\$17	\$591	\$(396)
Southeast Branch Library (12,000 square feet)	Certified	\$100	1.5%	NA	NA	NA
	Silver	\$364	5.7%	\$1	\$20	\$(208)
	Gold	\$676	10.5%	\$17	\$631	\$(312)

*Present value of costs/savings over the 40 year life of the project

HONORABLE MAYOR AND CITY COUNCIL

May 15, 2007

Subject: Criteria for Use of Economic Incentive Fund

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1. Does the company meet the City's definition of a driving industry (Computer technology, Bioscience, CleanTech, Nanotech, Informatics, etc)?
2. Does the company have the potential to create from 10 to 100 jobs within the next two years?
3. Will the company's headquarters be located in San José?
4. Does the business activity of the company have the potential to generate significant revenues for the City?
5. Does the company have significant locational options (regionally, nationally, or internationally) and require assistance to ensure that the site selected is in San José?

Companies that meet these tests will provide the economic stimulus identified in the City's Economic Development Strategy as critical to creating a vital community.

/s/

Paul Krutko
Chief Development Officer



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

**SUBJECT: DESCRIPTIONS/USES OF CITY
OPERATING AND CAPITAL FUNDS**

DATE: May 18, 2007

Approved

/s/

Date

05/18/07

BACKGROUND

This memorandum is prepared in response to a request from Councilmember Constant regarding information on each of the City's operating and capital funds. Specifically, Councilmember Constant requested summary information for each budgeted fund and the uses and restrictions of each fund.

ANALYSIS

As displayed in the 2007-2008 Proposed Operating and Capital Budgets, there are 111 budgeted City funds. Included in this number are the General Fund and various enterprise funds, trust and agency funds, internal service funds, special revenue funds, and capital improvement program funds. Within these fund types there are only a few general purpose funds (e.g., General Fund, General Purpose Parking Fund, Construction Excise Tax Fund, Healthy Neighborhoods Venture Fund, Cash Reserve Fund, and Emergency Reserve Fund) that are budgeted per Council policy and/or mandated by the City Charter. The sources and uses of the remaining funds are restricted by the Municipal Code, bond restrictions, State or federal law, or by Council policy. A listing of all of the budgeted funds, along with a brief description of each fund's purpose, can be found in the Budget Guide section of both the 2007-2008 Operating and Capital Budget documents. With the exception of the General Fund, spending plans for all of the operating funds can be found in the Source and Use of Funds Statements section of the Operating Budget. Source and Use information for the General Fund can be found in the Summary Information section of the Operating Budget document. The Capital Budget is organized by program, rather than fund, therefore Source and Use statements for the 15 capital programs included in the Capital Budget document often reflect information for multiple funds, all related to the projects in a specific area. The Comprehensive Annual Financial Report (CAFR), produced annually by the Finance Department, also provides a brief summary of each City fund along with financial statements as of the close of each fiscal year for each funding source.

HONORABLE MAYOR AND CITY COUNCIL

May 18, 2007

Subject: Description/Uses of City Operating and Capital Funds

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ANALYSIS (CONT'D.)

In an effort to consolidate budgetary and financial information on all City funds in one place, the Budget Office has embarked on a project to produce an Index of City Funds. This document, which will serve as a reference guide for all budgeted City funds, will include the following information:

- the authority for the fund;
- the budgetary location for the fund;
- purpose of the fund;
- a listing of all the funding sources for the fund;
- the department which has the lead responsibility for the fund;
- restrictions on the fund (e.g., subject to Proposition 218 requirements); and
- other relevant information regarding the fund.

The Index of City Funds project, which is anticipated to be completed in summer 2007, is being produced in coordination with the Finance Department and the Office of the City Attorney. Once complete, the listing will be distributed to the Mayor, City Council, and City departmental staff.

/s/

Larry D. Lisenbee
Budget Director



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean
Peter Jensen

SUBJECT: SEE BELOW

DATE: May 23, 2007

Approved

/s/

Date

05/23/07

SUBJECT ENERGY SAVINGS INFORMATION FOR MUNICIPAL OPERATIONS

BACKGROUND

At the May 14, 2007 study session on the Environmental and Utility Services City Service Area, Environmental Services Department Director John Stufflebean noted a performance measurement data update on page VII-146 in the 2007-08 Proposed Operating Budget. Measure C.1: "Percent of energy conserved in City facilities" should be 20% for the 2006-07 estimate, rather than 16%. Mayor Reed subsequently asked how much money has been saved due to energy conservation and efficiency projects in the City.

ANALYSIS

The City's Strategic Energy Policy has resulted in the implementation of a multitude of actions in the area of energy management for City facilities since its adoption by the Council in April 2001. The program focuses on electric utility conservation, energy efficiency, and use of renewable power for generation. The Mayor and Council set an initial energy savings target of 10% and subsequently elevated it to 12%. City staff initiated adjustments and improvements to facility systems, as well as developed and delivered an energy education program, in order to meet the conservation objectives. Many of these measures and efforts were identified as a result of discussions and suggestions from an ongoing interdepartmental energy committee comprised of key facility staff and users. Implementation of energy savings measures have now elevated the City's savings percentage to **20.1%** as compared to the FY 00-01 baseline. This has resulted in energy savings of over **\$20 million** since 2001. Samples of citywide projects implemented to date are listed in Attachment A.

May 21, 2007

Subject: Energy Savings Information For Municipal Operations

Page 2

As a result of implementing these and other projects, energy consumption has been reduced considerably even while the City's building inventory has grown by nearly 46%. Key accomplishments include:

- The Water Pollution Control Facility, user of over half of the City's energy, has reduced energy use by 31% since 1999.
- New City Hall is 25.7% more energy efficient per square foot than the old City Hall, exceeding California Title 24 building energy standards by 27.4% and reducing the annual energy costs by \$190,000.
- All of the City's Traffic Signals have been converted to LED (light emitting diode) with a projected annual energy cost avoidance of over \$1.6M.
- An estimated 124,000 metric tons of CO2 emissions have been reduced as a result of energy efficiency projects at City facilities—the equivalent of 27,000 passenger cars not being driven for one year.
- The City continues the collaboration with PG&E for the Silicon Valley Energy Watch Program, providing educational programs for the community. This program was funded by PG&E in the amount of \$553,250, for a period beginning July 1, 2006 through June 30, 2009.

More detailed information is available in the City's 2007-08 Energy Action Plan, which was accepted by Council at its March 20, 2007 meeting as part of the Transportation and Environment Committee report.

/s/

John Stufflebean
Director
Environmental Services

/s/

Peter Jensen
Director
General Services

ATTACHMENT A: Citywide Projects Implemented

Educational Efforts

- Installation of educational energy conservation signage.
- Citywide education to power down non-essential equipment.
- Publication of educational and recognition Cityline articles.
- Organization of Citywide energy events and workshops for staff, residents, and commercial entities.

Planning and Design Efforts

- Development of new building design criteria and design assistance to exceed Title 24 energy standards.
- Comprehensive energy audit of 24 City facilities by an energy engineering consultant to identify further conservation and efficiency measures.
- Partnership with PG&E on energy saving projects including "Savings by Design".

Lighting Projects

- Disconnection of lighting ballasts in fixtures while maintaining Illuminating Engineering Society (IES) standards.
- Lighting system upgrades to various facilities to more efficient fixtures (T8, electronic ballasts, compact fluorescent lamps).
- Powering down some outdoor / aesthetic lighting.

HVAC Projects

- HVAC system adjustments (heating and cooling setpoints, operating hours).
- HVAC system improvements (controls and software programming).
- Retrofit of mechanical / electrical systems through the installation of variable frequency drives.
- Distribution of personal thermometers to each employee in HVAC adjusted facilities.

Major Projects at the Water Pollution Control Facility

- Implementation of energy saving equipment such as fine bubble diffusers at the Plant.
- Use of landfill gas to generate power at the Plant and reduce electricity consumption.
- Operational and schedule adjustments within the Water Pollution Control Plant (Plant).

Other Building and Equipment Projects

- Cool roof installation at three city facilities.
- Glazing replacements and film installation to reduce energy loss and/or need for additional heating or cooling.
- Insulation installation.

HONORABLE MAYOR AND CITY COUNCIL

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Subject: Energy Savings Information For Municipal Operations

Page 4

- Appliance and equipment replacement with Energy Star rating devices.
- Use of energy conserving software technology for PC monitors and CPUs.
- Powering down some escalators and exterior fountains.
- Support for Citywide solar energy installation projects where possible (Alum Rock Youth Center in place).



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Randall Murphy

SUBJECT: TECHNOLOGY SPENDING PLAN/
USE OF RESERVE

DATE: May 25, 2007

Approved /s/ Date 05/25/07

RECOMMENDATION

It is recommended that City Council approve the following actions in the General Fund:

- a) Decrease the Earmarked Reserve: Technology Reserve by \$2.0 million as detailed in the 2007-2008 Proposed Operating Budget.
- b) Establish a City-wide expenses appropriation to the Information Technology Department for Technology Hardware Replacement in the amount of \$600,000.
- c) Establish a City-wide expenses appropriation to the Information Technology Department for Technology Legacy Applications Migration in the amount of \$1.4 million.

BACKGROUND

In December 2006, Council adopted an appropriation ordinance amendment in the General Fund to reduce the \$3.5 million Earmarked Reserve for Technology in the amount of \$1.5 million, and increase the Information Technology Department's (ITD) non-personal and personal appropriations by the same amount. The \$1.5 million is being used to address the most critical technology needs identified by the Chief Information Officer (CIO) following his assessment as directed by the City Manager.

The \$2 million remaining in the reserve was initially targeted for use in vital areas that have been under-resourced over the past several years of economic downturn. However, since the initial assessment by the CIO, a crucial network and infrastructure upgrade for the Police Communications campus was identified by ITD during preparation for expansion of the converged network. As a result, the \$2 million is recommended to be used for that essential upgrade (included in the 2007-2008 Proposed Operating Budget), and the initial critical need projects are now recommended to be addressed through the \$2.0 million which was added for the re-establishment of a technology reserve in the 2007-2008 Proposed Budget.

Additional areas of Citywide technology needs have also been identified as the CIO and ITD staff continue technology assessments under the direction of the City Manager. This Manager's Budget Addendum establishes a recommended plan for the \$2.0 million augmentation to the Technology Reserve proposed for 2007-2008 in order to address two primary areas of Citywide technology needs as described in the analysis below.

ANALYSIS

Technology Hardware Replacement - \$600,000

The City's technical network spans more than 18 major locations with 300 network servers, 20 application servers, 10 database servers, an estimated 6,600 desktop workstations, 30 network interfaces with external government agencies and 10 network interfaces. Approximately one million transactions are processed online per day, with 30 million lines of print produced weekly. There currently does not exist appropriated funding dedicated to address the replacement of aging equipment or immediate response to vital technology needs for general-funded departments, and technology purchases have historically been made on the basis of resource availability, urgent need and department-specific requirements.

The City currently has a great deal of aging equipment that far exceeds recommended best practices for replacement, is costly to support and maintain, and limits the interconnectivity among business applications. This hardware replacement allocation of the Technology Reserve would be used to upgrade the oldest or most vulnerable equipment that places the stability of the City network or employee productivity at greatest risk.

Technology Legacy Applications Migration - \$1,400,000

During the 2006-2007 fiscal year, a fit-gap analysis was conducted for the migration of several aging billing systems, some still running on obsolete equipment located at the old City Hall site. One-time professional contractual services are needed to address outstanding business application needs. For example, it is essential that the remaining legacy business tax licensing application be replaced and integrated with the currently operational Integrated Billing System (IBS).

The fit gap analysis also identified the need for documenting business processes supporting technical relationships among business applications such as IBS, FMS, HR/Payroll, and Integrated Cashiering. In several past situations where new systems or upgrades modules to existing systems were taken live, the business process assessment of appropriate interfaces were not considered during project implementation and the City has been unable to fully benefit from the system's potential.

The \$1.4 million will fund professional contractual services for the completion of legacy system migration. Migration of the business tax licensing application, which issues approximately

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May 25, 2007

Subject: Technology Spending Plan/Use of Reserve

Page 3

80,000 in business tax licenses with a revenue stream of \$11.5 to \$14 million, is of primary importance. As funds allow, the replacement or redesign of existing interfaces to work more efficiently with new applications will be addressed.

CONCLUSION

Approval of the specific uses of a \$2.0 million Technology Reserve recommended in the 2007-2008 Proposed Budget described in this memorandum would allow the Information Technology Department to continue addressing the most immediate Citywide areas of critical need in both infrastructure and business applications. Benefits include realization of cost savings in the areas of maintenance and technical support, as well as improved and leveraged performance as various legacy systems are migrated and integrated with existing systems. The funding strategy for these projects utilizes one-time funds for the replacement or upgrade of existing equipment or systems that pose the most imminent risk to the City. In addition, one-time contractual services will be used for the migration of existing legacy systems, including the business tax licensing application.

/s/

Randall Murphy
Chief Information Officer



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: REMOVE COMMUNITY CENTERS FROM FACILITY RE-USE LIST **DATE:** May 24, 2007

Approved	/s/	Date	05/24/07
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RECOMMENDATION

Direct the City Manager to remove the Old Berryessa Library and the George Shirakawa, Jr. Community Center from the Facility Re-use inventory list. Further, direct the City Manager to proceed with lease of both sites independent of the Facility Re-Use process.

BACKGROUND

In response to the Mayor's March 2007 Budget Message, Parks, Recreation, and Neighborhood Services (PRNS) staff developed a budget proposal for \$869,359 to fund four allotted positions between the Alma Youth Center, Alma Senior Center, Hank Lopez Youth/Community Center, and St. James Senior Center, and an additional 11 positions for a Contract/Property Management Team to manage the remaining 19 re-use sites.

The City Council, at the Neighborhood Services Budget Study Session requested that staff remove the Old Berryessa Library and the George Shirakawa, Jr. Community Center from the Facility Re-use inventory list. With removal of the Old Berryessa Library and Shirakawa Community Center sites, 17 sites remain on the Facility Re-use inventory list. (See attached Revised Facility Re-Use List.)

Under the proposed contract/property management approach, the City would maintain the operational lead and oversight of the 17 facilities and retain responsibility for maintenance, utilities, garbage, A.D.A. compliance, and major building system (repair) costs. The City would partner/collaborate with qualifying Nonprofit(s) and Neighborhood Associations in exchange for services provided to the community.

ANALYSIS

Both the Old Berryessa Library and the George Shirakawa, Jr. Community Center both qualify under Council Policy 7-1 for use by outside agencies, and there is great interest for these two

HONORABLE MAYOR AND CITY COUNCIL

May 24, 2007

Subject: Facility Re-use

Page 2

facilities from operators whose service model is different from the recreation service model provided at the other re-use sites.

Council Policy 7-1 is a below market rental policy, which provides guidelines, criteria, and annual review requirements for the use of City-owned land or buildings being held for but not immediately required for public purposes. Council Policy 7-1 dictates that all repairs and maintenance of the leased site or facility is the responsibility of the tenant. Interested operators of the Old Berryessa Library and the Shirakawa Community Center will be required to meet these requirements.

The Old Berryessa Library is available now, and the Shirakawa Community Center will be available in early 2010 with the completion of the Seventrees Branch Library & Solari Community Center expansion. Staff will work with Old Berryessa Library and Shirakawa Community Center stakeholders, seek tenant use within the basic parameters of Council Policy 7-1, and coordinate lease efforts with the Department of Public Works.

CONCLUSION

Inclusion of this MBA in the Mayor's 2007-08 June Budget Message will approve the removal of the Old Berryessa Library and the George Shirakawa, Jr. Community Center from the Facility Re-use inventory list, allow for their future use under Council Policy 7-1, and allow the City Manager to proceed with lease of both sites independent of the Facility Re-Use process.

/s/

Albert Balagso
Director of Parks, Recreation, and
Neighborhood Services

Attachment

For questions, please contact ANGEL RIOS, DEPUTY DIRECTOR, at 535-3576.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: COST OF ELEVEN NEW PRNS
POSITIONS AS CONTRACT STAFF

DATE: May 22, 2007

Approved

/s/

Date

05/24/07

PURPOSE

The purpose of this memorandum is to provide a response to Councilmember Oliverio's inquiry, during the May 7, 2007 Budget Study Session, concerning the costs of eleven new parks maintenance positions if they were retained as contract workers rather than as City employees.

BACKGROUND

PRNS has submitted a budget proposal, for consideration during the 2007-2008 budget process, to fund eleven new park maintenance positions through the use of Enhanced Park Maintenance Reserve funds. These eleven positions are shown on the following table with the existing salary range for each classification and the principal tasks each position will be responsible for:

Classification	Number of positions	Salary range	Primary duties
Equipment operator	4	\$22.24-\$27.01 (hourly) \$32.86 per hour w/benefits	Operates 16 ft (deck-width) gang mowers; provides aeration, fertilization, and turf sweeping services as needed; transports mowing equipment to various facilities; class A license required.
Groundswokers	4	\$20.28-\$24.64 (hourly) \$30.48 per hour w/benefits	Operates trimmer mowers (6-10 ft deck width), provides aeration, fertilization, and turf sweeping services as needed; transports mowing equipment to various facilities.
Groundskeeper	1	\$20.28-\$24.64 (hourly) \$30.48 per hour w/benefits	Maintains the 4-field complex at Tully Community Ballfields, focus of maintenance work is the condition of the infields

Parks Facility Supervisor	1	\$35.44-\$43.18 (hourly) \$54.37 per hour w/benefits	Supervises the staff and manages the maintenance and operations (including Park Rangers) of Kelley Park; responds to citizen concerns regarding park issues; manages capital improvement projects.
Maintenance Supervisor	1	\$35.44-\$43.18 (hourly) \$54.37 per hour w/benefits	Supervises the staff in the maintenance of neighborhood parks in Council Districts 7 & 8; responds to citizen concerns regarding park issues; works with neighborhood groups regarding coordination of volunteer projects; provides input regarding capital improvement projects.

In accordance with established Council policies, landscape maintenance services contracted for are subject to the City’s prevailing wage and living wage policies.

At our Department’s request, the Public Works Department/Office of Equality Assurance (OEA) has identified State of California/Department of Industrial Relations classifications that perform comparable work and the applicable prevailing wage rate for these classifications in the chart below. OEA staff was not able to identify a wage rate for supervisors because there is no prevailing wage classification for supervisor. It is important to understand that if the City were to contract for these services, not less than these wage rates would be allowed. It would be expected that contractors bidding on this work would include additional costs such as overhead, equipment, maintenance and upkeep of equipment, gas, travel time, profit, etc. in their respective bids or quotes. The “Total Hourly Rate of Pay” column reflects these additional costs.

Type of Work	Classification	Basic Hourly Rate of Pay	Total Hourly Rate of Pay
Landscape Work, Pruning, Planting, Irrigation System Maintenance	Plumber – Landscape Tradesman II	\$9.25	\$17.55
Ride-On Mower	Laborer Group 4	\$17.58	\$30.02
Tree Trimming	Tree Trimmer Groundman	\$18.29 \$12.54	\$24.45 \$18.26
Fertilizer Application	Plumber – Landscape Tradesman II	\$9.25	\$17.55
Pesticides/Herbicides (Licensed Spray Technician)	Laborer Group 3	\$23.89	\$36.33
Pesticides/Herbicides Laborer	Laborer Group 4	\$17.58	\$30.02
Irrigation	Plumber – Landscape	\$9.25	\$17.55

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05-22-07

Subject: Cost of Eleven New Positions as Contract Staff

Page 3

Maintenance/Repair All System Components	Tradesman II		
Electrical and Lighting Systems Maintenance	Light Fixture Maintenance Serviceman	\$17.37	\$21.94
Restroom Cleaning	Living Wage	\$12.66	\$13.91

/s/

ALBERT BALAGSO
Director of Parks, Recreation
and Neighborhood Services



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Betsy Shotwell

SUBJECT: SEE BELOW

DATE: May 24, 2007

Approved /s/

Date 05/24/07

SUBJECT: TRAFFIC FINE DISTRIBUTION FORMULA – LEGISLATIVE CHANGE PROCESS

BACKGROUND

During the Budget Study Session concerning the Transportation and Aviation CSA, discussion evolved regarding previous legislation that was introduced that doubled the fines in school zones through a pilot program in specified counties which sunset in January 2007. The Director of Transportation indicated that a preferred alternative to consider, and one that would likely gain more compliance, would be to give a larger share of the existing fines and penalties to the issuing agency (City). With a larger share of the existing fines and penalties staying within the control of the issuing agency, it was believed that a greater police presence and traffic management effort could be undertaken. This would in turn, result in slower and safer traffic conditions.

The Director suggested that the current traffic fine distribution formula for moving violations on streets with prima-facie 25mph speed limits; residential zones, school zones and senior centers should be treated differently than those on higher speed roadways, such as arterials, expressways and freeways where more injuries and societal impact occurs when there are accidents and speeding incidents. There are options that could be considered to increase the City's share of fines and penalties on low-volume, low-speed (25mph) roadways, which are:

- Increase the base fine associated with a moving violation;
- Increase the percentage of the base fine that the City receives;
- Create a City "penalty" that would be added on the top of the base fine, similar to what the State does.

State legislation would be required to implement any of the above changes.

ANALYSIS

The following is a description of the current structure of the moving violation fine and the various percentages, fees, etc. that are applied to the base fine:

State Penalty	100% penalty
County Penalty	70% penalty
State Criminal Penalty Surcharge	20% penalty
State Court Construction Fund	35% penalty
<u>Proposition 69 – DNA Sampling</u>	<u>10% penalty</u>
Total Penalty	235% penalty

In addition the following flat fees are added:

State Court House Security Fee	\$20
<u>County Prior Search Fee</u>	<u>\$10</u>
Total	\$30

For example, if one were to receive a speeding citation with a \$100 base fine the ticket would breakdown as follows:

Base fine*	\$100.00
State penalty	\$100.00 (100%)
County penalty	\$ 70.00 (70%)
State Criminal Penalty Surcharge	\$ 20.00 (20%)
State Court Construction Fund	\$ 35.00 (35%)
Proposition 69 – DNA Sampling	\$ 10.00 (10%) NEW – Approved by voters November 2, 2004
State Court House Security Fee	\$ 20.00 (flat fee)
<u>County Prior Search Fee</u>	<u>\$ 10.00 (flat fee)</u>

TOTAL FINES AND PENALTIES \$365.00

* The County receives 2% of the base fine for administrative purposes. The remaining 98% is shared between the City and the County. Thus, the City receives 87% of the base fine or \$85.26 of a \$100 base fine ticket and the total of the base fine received by the County is: 13%.

In summary, with the above fines and penalties as reflected in the example totaling \$365, the City would receive \$85.26 (23%), the County \$ 94.74(26%) and the State \$185.00(51%).

HONORABLE MAYOR AND CITY COUNCIL

May 24, 2007

**Subject: Traffic Fine Distribution Formula- Legislative
Change Process**

Page 3

CONCLUSION

Any changes to the moving violation fine structure would require the introduction of legislation in Sacramento. The Legislative timeline includes the need to identify an author to submit preferred language to the Legislative Counsel for drafting no later than the third week in January. Bill introduction is then required by the third Friday in February of each year.

COORDINATION

This MBA has been coordinated with the City Attorney's Office, Department of Transportation, the Police Department and the City's Legislative Representative in Sacramento.

/s/

BETSY SHOTWELL

Director, Intergovernmental Relations

For more information contact: Betsy Shotwell, Director of IGR at (408) 535-8270



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Robert L. Davis

SUBJECT: CRIME INDEX STATISTICS
COMPARISON

DATE: May 23, 2007

Approved

/s/

Date 05/24/07

BACKGROUND

During the 2007-2008 Budget Study Sessions, Councilmember Pyle requested information on crime statistics compared to the State, nation and other cities. The latest comparable data available is for 2005. The attached report includes 2005 Crime Index Statistics for 14 major cities compared to San José, California and the nation.

/s/

ROBERT L. DAVIS
Chief of Police

RLD: lp

**MULTI-CITY COMPARISON
CRIME RATE PER 100,000 POPULATION
2005**

COUNCIL CITIES

CITY	Population	Sworn Staffing	Sworn Staffing Per Capita (1000)	TOTAL VIOLENT CRIME	HOMICIDE	RAPE	ROBBERY	AGGRAVATED ASSAULT	TOTAL PROPERTY CRIME	BURGLARY	LARCENY	MOTOR VEHICLE THEFT	TOTAL ALL CRIMES
NATIONWIDE	296,410,404	N/A	N/A	1,390,695	16,692	93,934	417,122	862,947	10,166,159	2,154,126	6,776,807	1,235,226	11,556,854
RATE				469.2	5.6	31.7	140.7	291.1	3429.8	726.7	2286.3	416.7	3898.9
CALIFORNIA	36,132,147	N/A	N/A	190,178	2,503	9,392	63,622	114,661	1,200,531	250,521	692,467	257,543	1,390,709
RATE				526.3	6.9	26.0	176.1	317.3	3,322.6	693.3	1,916.5	712.8	3,849.0
SAN JOSE	944,857	1,349	1.48	3,492	26	263	884	2,319	22,930	4,049	13,374	5,507	26,422
RATE				369.6	2.8	27.8	93.6	245.4	2426.8	428.5	1415.5	582.8	2796.4
**rate using FBI population	910,528			383.5	2.9	28.9	97.7	254.7	2518.3	444.7	1468.8	604.8	2901.8
El Paso	601,839	1,097	1.82	1,272	8	122	213	929	9,069	961	6,964	1,144	10,341
RATE				211.4	1.3	20.3	35.4	154.4	1,506.9	159.7	1,157.1	190.1	1,718.2
Honolulu	908,521	2,005	2.21	1,208	6	102	384	716	20,341	3,070	14,290	2,981	21,549
RATE				133.0	0.7	11.2	42.3	78.8	2,238.9	337.9	1,572.9	328.1	2,371.9
Austin, TX	693,019	1,361	1.96	3,393	26	312	1,182	1,873	41,668	7,285	31,835	2,548	45,061
RATE				489.6	3.8	45.0	170.6	270.3	6012.5	1051.2	4593.7	367.7	6502.1
Boston, MA	567,589	2,075	3.66	7,479	73	268	2,649	4,489	25,205	4,531	15,957	4,717	32,684
RATE				1317.7	12.9	47.2	466.7	790.9	4440.7	798.3	2811.4	831.1	5758.4
Charlotte-Mecklenburg, NC	677,122	1,513	2.23	7,933	85	323	3,649	3,876	46,589	12,783	26,708	7,098	54,522
RATE				1171.6	12.6	47.7	538.9	572.4	6880.4	1887.8	3944.3	1048.3	8052.0
Denver*, CO	564,552	1,460	2.59	4,492	59	328	1,432	2,673	33,902	7,360	18,518	8,024	38,394
RATE				795.7	10.5	58.1	253.7	473.5	6005.1	1303.7	3280.1	1421.3	6800.8
Houston, TX	2,045,732	N/A	N/A	23,987	334	872	11,128	11,653	120,425	27,541	72,476	20,408	144,412
RATE				1172.5	16.3	42.6	544.0	569.6	5886.6	1346.3	3542.8	997.6	7059.2
Los Angeles*, CA	3,871,077	9,355	2.42	31,767	489	1,105	13,797	16,376	117,285	22,592	65,972	28,721	149,052
RATE				820.6	12.6	28.5	356.4	423.0	3029.8	583.6	1704.2	741.9	3850.4
Phoenix, AZ	1,466,296	N/A	N/A	10,691	220	533	4,237	5,701	93,328	16,255	52,537	24,536	104,019
RATE				729.1	15.0	36.4	289.0	388.8	6364.9	1108.6	3583.0	1673.3	7094.0
Portland, OR	540,389	989	1.83	3,858	20	325	1,137	2,376	37,645	6,121	25,794	5,730	41,503
RATE				713.9	3.7	60.1	210.4	439.7	6966.3	1132.7	4773.2	1060.3	7680.2
San Antonio, TX	1,256,584	N/A	N/A	8,007	86	593	2,154	5,174	80,987	14,365	60,649	5,973	88,994
RATE				637.2	6.8	47.2	171.4	411.8	6445.0	1143.2	4826.5	475.3	7082.2
San Diego, CA	1,272,148	2,070	1.63	6,603	51	376	1,862	4,314	46,213	7,462	24,613	14,138	52,816
RATE				519.0	4.0	29.6	146.4	339.1	3632.7	586.6	1934.8	1111.3	4151.7
San Francisco, CA	749,172	2,193	2.93	5,985	96	172	3,078	2,639	34,269	6,208	19,887	8,174	40,254
RATE				798.9	12.8	23.0	410.9	352.3	4574.2	828.6	2654.5	1091.1	5373.1
Seattle, WA	579,215	1,281	2.21	4,109	25	138	1,607	2,339	43,471	6,761	27,147	9,563	47,580
RATE				709.4	4.3	23.8	277.4	403.8	7505.2	1167.3	4686.9	1651.0	8214.6

* Because of changes in the state/local agency's reporting practices, figures are not comparable to previous years' data.

**Population based on figures from Demographic Research Unit, Dept of Finance, State of California

Source: Crime in the United States 2005, issued 09/18/06



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: HOURLY RATE FOR PUBLIC
WORKS DEVELOPMENT
SERVICES**

DATE: May 23, 2007

Approved	/s/	Date	05/24/07
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RECOMMENDATION

Amend the Proposed 2007-2008 Fees and Charges Report to include the following hourly rates for miscellaneous services provided by Public Works staff for which there is no specific fee:

Services Provided by Office Staff	\$180 per hour
Inspection Services	\$174 per hour

BACKGROUND

Staff assigned to Public Works' Development Services section are frequently asked to perform specific tasks or provide services for which there is no established fee. Implementation of the proposed hourly rates would allow Public Works to charge customers appropriate fees to reimburse the City for the staff time involved when providing requested miscellaneous development-related services that do not include a permit application or fee-generating activity.

ANALYSIS

The Development Services section of Public Works does have a small General Fund budget which appropriately pays for providing general public information about land use and infrastructure. However, many customers request development-related services that should be cost recovery, but for which no specific fee currently exists. Examples of such activities include research, staff time on driveway permits, review and advice on development proposals prior to submission, as well as staff participation in multi-department review meetings requested by Planning and Building Permit applicants. If these fees are approved, no adjustment to the Public Works Development Fee Program revenue estimate is recommended at this time as the activity level for this new fee category is difficult to estimate. All revenue received from these fees will, however, be credited to and accounted for as part of the cost-recovery fee program.

HONORABLE MAYOR AND CITY COUNCIL

May 23, 2007

Subject: Hourly Rate for Public Works Development Services

Page 2

The methodology used to determine the hourly rates above is the same as that used by the other development service partners: total program cost divided by the annual total of billable hours available for all staff that provide direct service. In this case, the program cost and billable hours available have been broken out between field inspection and in-office operations to provide a more accurate rate for each.

PUBLIC OUTREACH

A copy of this Manager's Budget Addendum with a cover letter advising of the June 11, 2007 Public Hearing on Fees and Charges will be mailed to development industry groups including the San Jose Silicon Valley Chamber of Commerce Development Committee, the Home Builders Association of Northern California (HBA), and the local chapters of the National Association of Industrial and Office Properties (NAIOP), the National Association of the Remodeling Industry (NARI), and the American Institute of Architects (AIA).

COORDINATION

This memo has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/

KATY ALLEN

Director, Public Works Department



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mark Linder

**SUBJECT: SUCCESS OF CITY'S EFFORTS
TO SECURE GRANTS**

DATE: May 25, 2007

Approved /s/ Date 05/25/07

PURPOSE

The purpose of this MBA is to respond to Council Members' queries raised during the Budget Study Sessions as to the results of the City's grant receiving efforts.

ANALYSIS

Staff gathered the following information from all the departments involved in applying for grants. Staff focused on grants sought by the City that were also managed by the City. Therefore, grants such as the VTA grants where the City assists, but the grant is managed by another agency, are not included. Also grants the City receives as an entitlement or by formula such as the Community Development Block Grant are not included. The UASI grants, which are managed by a regional team that includes City staff, are also not included. The analysis focused on grants received in Fiscal Year 2006-07.

Total number of grants received in 2006-07	68
Total dollars received from these grants	\$47,228,082
Total number of grants pending in 2006-07	34
Total dollars pending	\$4,525,846
Total number of grants denied in 2006-07	6
Total dollars denied	\$2,980,000
Total number of staff working on grants applications	39

Most staff work on grants along with other duties. Also, the City's Washington D.C. lobbyist, Patton Boggs, works on grants on behalf of the City and reports on grant opportunities regularly. The City's staff member in Sacramento works with other City staff on State grant opportunities.

HONORABLE MAYOR AND CITY COUNCIL

May 25, 2007

Subject: Success of City's Efforts to Secure Grants

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ANALYSIS (Cont'd.)

The vast majority of the grants the City receives are from government agencies. The City received 19 grants from the private sector totaling \$887,787. In addition, the Library received \$350,268 from the San Jose Public Library Foundation and \$43,368 from the Friends of the Library Groups.

There has been some discussion about having a grants seeking coordinator in the City Manager's Office. The thought is the City could be aggressive in applying for and receiving grants if a staff person was dedicated to the effort. Also, with the current decentralized approach it is difficult to coordinate the City's grant seeking efforts and track the grant applications and success. Finally, there is no staff resource that can train people on effective grant writing. However, staff feels that a permanent employee would be premature right now. While the City needs a more coordinated approach to securing grants and a better tracking system on grants received and grants pending, the answer may not be another full time person in the City Manager's Office. Staff is suggesting that a Leadership Fellow be assigned to discussing the issue with the City CSAs, researching best practices at other cities and counties and preparing a recommendation for the City Manager for the FY 08-09 budget process. This work would begin in September and be concluded by December 2007. The City's Leadership Fellow program assigns a high performing middle manager to the City Manager's Office for up to 12 months to work on special assignments and gain experience. Leadership Fellows report to a Deputy City Manager. Currently, a Leadership Fellow is working on the Urban Forest Imitative and another is working on the Grants Management System for the grants that the City gives to non-profit organizations.

/s/

Mark Linder

Deputy City Manager



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mark Danaj

**SUBJECT: WORKERS' COMPENSATION
UTILIZATION REVIEW**

DATE: May 23, 2007

Approved	/s/	Date	05/25/07
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RECOMMENDATION

This memorandum is prepared in response to a request made by Councilmember Constant at the May 7, 2007 Budget Study Session to review the current workers' compensation utilization review procedures to determine the causes of treatment delays and denials and determine if the process can be amended or enhanced to avoid treatment delays and unnecessary denials. In addition, this report includes a review of the City of Sunnyvale's utilization review program for best practices.

BACKGROUND

As a result of AB 227 and SB 228, every California employer as of January 1, 2004 is required to establish a utilization review program/process either through its insurer or an entity with which the employer contracts for these services. Before implementation, staff had carefully reviewed AB 227 and SB228 with the City Attorney's Office. The City Attorney's Office concurred that the City was required to establish and implement a utilization review program and adhered to the new legislation.

Fair Isaac Corporation performs the cost containment program for the City which includes the component of utilization review. The cost containment program also includes medical bill review to ensure the City is not being charged in excess of the California Official Medical Fee Schedule and a Preferred Provider Organization that allows the City to receive discounts from a network of hospital and medical providers below the California Official Medical Fee Schedule.

The purpose of utilization review is to ensure injured employees receive appropriate care to cure or relieve the effects of the industrial injury. Utilization review evaluates treatment requests or plans from physicians based on medical necessity. The State of California is currently using the American College of Occupational and Environmental Medicine Occupational Medical Practice Guidelines (ACOEM) as basis to review requested treatment plans.

BACKGROUND (CONT'D.)

Decisions must be communicated in a timely manner after “receipt of the information reasonably necessary to make the determination.” In general, the utilization review decision must be within 5 days from the receipt of the necessary information. If more time is needed to obtain additional information, the timeframe for a decision is extended to 14 days. In cases of serious threat to the employee’s health, decisions must be within 72 hours from the receipt of all necessary information. All utilization review determinations must be communicated within 24 hours of the decision. The utilization review decision must specify that the requested treatment plan is either approved or modified, delayed, or denied (a clear and concise explanation of the reasons for the decision must be provided).

An appeal process is available to the injured employee which allows the physician or employee the opportunity to present additional information to warrant the treatment request. The employee also has the option to request another opinion from a state panel of Qualified Medical Examiners.

The majority of all treatment delays and denials result from the following:

- ❑ Inadequate information provided by the treating physician.
- ❑ Treatment request does not fall within the ACOEM guidelines.
- ❑ The employee’s treating physician does not always follow through with providing additional information or filing the appeal.

ANALYSIS

Utilization review works best when the employee’s treating physician provides all the medical reasoning and information to substantiate the requested treatment plan on an initial and timely basis. During the first 3 quarters of this current fiscal year (07/01/2006 – 03/31/07), our utilization review statistics are as follows:

Number of utilization review referrals	1,280
Number of approvals (within 5 days)	824 (64%)
Number of denials	456 (36%)
Number of appeals requested	124
Number of appeals overturned and approved	55
Number of appeals upheld and remained denied	69

Staff reviewed the City of Sunnyvale’s utilization review program with their Human Resource Analyst that oversees the worker’s compensation claims.

The City of Sunnyvale has a third party administrator that handles their workers’ compensation claims. This third party administrator contracts with utilization review company and has a utilization review nurse on site that is specifically assigned to their various clients. This nurse

ANALYSIS (CONT'D.)

reviews mainly basic treatment requests using the ACOEM guidelines as the basis for approval. The nurse makes a concerted effort to obtain all the necessary medical information before delaying or denying treatment by calling the medical providers and talking directly to the physicians and nurses for the additional information that is required.

Any complicated treatment or procedural request (e.g., surgery) is sent directly to the Utilization Review's headquarters for a formal review and decision.

The City of Sunnyvale also assigns a public safety officer at the Lieutenant level as a workers' compensation liaison. This Lieutenant provides assistance to employees by coordinating workers' compensation information between the public safety officers, Human Resources, and the Third Party Claims Administrator. The Lieutenant identifies and coordinates modified duty positions according to the employee's work restrictions. Another function of this liaison position is to assist the employees by scheduling their medical appointment to avoid treatment delays and expedite the return to work process. Due to confidentiality issues, the Lieutenant does not handle any aspect of the utilization review process in terms of reviewing medical information and is not involved in the approval of treatment requests.

The Police and Fire Departments have dedicated workers' compensation liaisons that perform many of the same functions as the public safety Lieutenant in the City of Sunnyvale. The workers' compensation program currently utilizes the City Physician as a resource to review utilization review decisions that may be considered "questionable" and provide his recommendations to Fair Isaac for reconsideration.

CONCLUSION

The following steps will be implemented to identify solutions to expedite or streamline the utilization review process:

- ❑ Review with Fair Isaac the process whereby they work more closely with the employee's treating physician to obtain all the necessary information before a delay or denial of treatment is issued. Procedures will be reevaluated to streamline the treatment approval process for our employees.
- ❑ In the 2007-2008 Proposed Operating budget, 5 additional adjusters will be hired to augment existing staff and will lower caseloads to a more reasonable level, allowing for improved management of the utilization review process to avoid unnecessary delays for the injured worker.
- ❑ Reallocate the workers' compensation staff to allow adjusters dedicated solely to the Police and Fire departments which will enable a better understanding of the specific needs of our public safety departments. In conjunction with the reorganization plans for caseload distribution, the two existing workers' compensation supervisors will no longer

HONORABLE MAYOR AND CITY COUNCIL

May 23, 2007

Subject: Workers' Compensation Utilization Review

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CONCLUSION (CONT'D.)

have caseloads that will enable an enhanced oversight of utilization review cases that have potential delays and possible alternative solutions.

- Allocate a greater focus of the Return-To-Work Coordinator job duties to assist departments and the adjusting staff in identifying and coordinating temporary modified duty positions. In the 2007-2008 Proposed Operating budget, the Return-To-Work Coordinator is recommended as a permanent position.

COORDINATION

This MBA has been coordinated with the City Attorney's Office.

/s/

MARK DANAJ

Director, Human Resources



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

**SUBJECT: HEALTHY NEIGHBORHOODS
VENTURE FUND
FUNDING RECOMMENDATIONS**

DATE: 05-22-07

Approved	/s/	Date	05/25/07
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RECOMMENDATION

Consider the Children's Health Initiative (\$2,100,000), Homework Centers (\$2,465,000) and Healthy Neighborhoods Venture Fund (HNVF) Administration (\$870,000) costs as "off the top" for a total of \$5,435,000 and the attached funding recommendation in the amount of \$4,026,944 from the HNVF Advisory Committee for a total use of monies in the amount of \$9,461,944 for 2007-08 as part of the budget process.

BACKGROUND

This is the eighth year of funding under a plan in which the City of San José anticipates receiving approximately \$250 million from the national settlement with tobacco companies over a 25-year period. In March 2000, the City Council approved the Mayor's recommendation to use these funds for investing in "healthy neighborhoods for future generations," hereafter referred to as the Healthy Neighborhoods Venture Fund. The City Council directed Administration to disburse funds through a public competitive process.

An Advisory Committee was formed to oversee the HNVF program and make annual recommendations to the City Council. Each year, the HNVF Advisory Committee (Committee), approves an application schedule and process, including the evaluation criteria, for the upcoming application cycle for recommendation to the City Council.

In August 2006, the Committee considered and approved a schedule, application criteria, and rating guidelines for HNVF Cycle 8, 2007-08. The City Council approved the schedule, criteria, and guidelines on September 16, 2006. As outlined in the schedule, the HNVF applications were released to the public on October 16, 2006, and submitted to HNVF staff on December 4, 2006. HNVF received 91 applications totaling \$5.1 million in requests. Six applications were disqualified for being incomplete and one application was withdrawn. (Pathfinder Charter High School has dissolved.)

On March 21 and April 18, 2007, the Committee reviewed the applications, questioned staff, and commented on the applications submitted. At the April 18th meeting, the Committee made its 2007-08 funding recommendation (see attached).

ANALYSIS

OFF-THE-TOP FUNDING

The City anticipates receiving \$9.6 million in tobacco settlement funds in 2007-2008. In September 2006, City Council approved continuation of “off-the-top” funding for the Children’s Health Initiative, Homework Centers, and HNVF Administration. Following is a breakdown of off-the-top funding for 2007-2008:

Off-The-Top Funding	Allocation
Children’s Health Initiative	\$2,100,000
Homework Centers	\$2,465,000
HNVF Administration	\$870,000
Total Off-the-Top Funding	\$5,435,000

2007-2008 FUNDING STRATEGY

At the Committee’s April 18, 2007 meeting, the Committee approved the following funding strategy:

- Funding recommendations are based solely on application ratings. Projects were rated High, Medium, or Low on five criteria: Project Design, Work Plan, Project Outcomes, Leverage, and Past Performance.
- As in prior years, the total funding for all applicant agencies was determined by establishing a rating threshold that funds as many high-quality proposals as possible.
- Applications receiving ratings of at least two (2) “Highs” and two (2) “Mediums” (2H, 2M) are recommended for full requested funding with a minimum of \$25,000.
- A 2H, 2M threshold funds 75 out of 84 eligible projects.

Under the 2H, 2M strategy, nine projects are not recommended for funding in 2007-08.

Agency	Project Name	Rating	Amount Requested
YWCA of Silicon Valley	Pathways to Success	2H, 1M, 1L	\$25,000
YWCA of Silicon Valley	Family Life Sex Education	3H, 1L	\$25,000
Peninsula Stroke Association	PSA Youth Stroke Education Program	3H, 1L	\$25,000
Center for Training & Careers, Inc.	21st Century	2H, 1M, 1L	\$25,000
YWCA of Silicon Valley	In the Know	3H, 1L	\$25,000
East Side Union High School District	P.A.R.T. I Program	1H, 2M, 1L	\$25,000
Friends Outside in Santa Clara	The Family Enhancement Project	3M, 1L	\$25,000

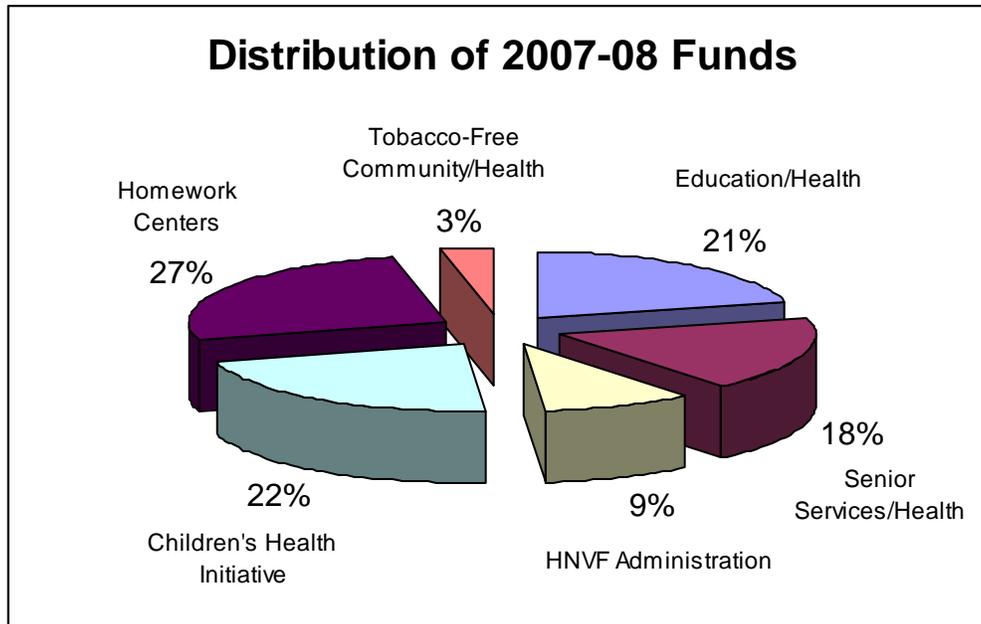
Tooth Mobile	Dental Care for Seniors	1H, 4M	\$134,303
Housing Authority of County of Santa Clara	Senior Independent Living Project	1H, 3M	\$25,000
TOTAL			\$334,303

Of the nine projects not recommended for funding, eight are new projects and one is a returning project. Tooth Mobile’s Dental Care for Seniors, the returning project, was not recommended for funding because their application did not meet the 2H, 2M threshold. Staff recognizes that this is a quality program which serves a population that has identified dental needs. Yet, their application, while generally discussing aspects of their services, did not completely address all established criteria of the application.

This strategy resulted in the following funding recommendation by HNVF funding category:

Category	Allocation
Education/Health (EH)	\$1,975,972
Senior Services/Health (SH)	\$1,741,036
Tobacco-Free Community/Health (TF)	\$309,936
Total Recommended	\$4,026,944

The following pie chart depicts the percentage breakdown of the distribution of all HNVF funds:



PUBLIC OUTREACH

The application was posted on the PRNS website, and an advertisement was placed in the San José Mercury News. Additional outreach efforts included e-mail notifications to 58 funded agencies and 131 interested parties. The Committee’s recommendation was developed during two publicly-noticed meetings.

COST SUMMARY/IMPLICATIONS

The HNVF Funding recommendations can be fully funded in the HNVF Fund using Anti-Tobacco Settlement Funds. The Source and Use of Funds statement for the Anti-Tobacco Settlement Fund is attached, indicating an adequate 2007-08 ending fund balance. The Source and Use anticipates receiving 2007-2008 funds by April 2008. Should cash flow be too low prior to that date a provision to borrow funds from the Sanitary Sewer Connection Fee Fund is included. In 2006-2007 it was necessary to borrow from the Sanitary Sewer Connection Fee Fund to maintain sufficient cash flow in HNVF.

COORDINATION

This memorandum was coordinated with the Office of the City Attorney and the City Manager's Office.

/s/
ALBERT BALAGSO
Director of Parks, Recreation,
and Neighborhood Services

Attachments

For questions, please contact Jay Castellano, Acting Deputy Director, at 408-535-3571

ANTI-TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE FUND (426)

STATEMENT OF SOURCE AND USE OF FUNDS

	2005-2006 Actual	2006-2007 Adopted	2006-2007 Modified	2006-2007 Estimate	2007-2008 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Interest Earnings Reserve	532,776	605,776	667,330	667,330	740,330
Reserve for Encumbrances	2,896,056	2,896,056	2,806,445	2,806,445	2,806,445
Unrestricted	<u>2,476,543</u>	<u>2,701,074</u>	<u>3,235,486</u>	<u>3,235,486</u>	<u>3,339,022</u>
Total Beginning Fund Balance	5,905,375	6,202,906	6,709,261	6,709,261	6,885,797
Revenue					
Calpine Contribution	100,000	0	0	0	0
Interest	134,554	73,000	73,000	73,000	66,034
Tobacco Settlement	<u>9,334,180</u>	<u>9,334,000</u>	<u>9,334,000</u>	<u>9,600,000</u>	<u>9,645,508</u>
Total Revenue	9,568,734	9,407,000	9,407,000	9,673,000	9,711,542
Transfers					
Sanitary Sewer Connection Fee	1,000,000	1,500,000	1,500,000	1,500,000	3,000,000
Fund Cash Flow Loan					
Total Transfers	<u>1,000,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>3,000,000</u>
TOTAL SOURCE OF FUNDS	<u>16,474,109</u>	<u>17,109,906</u>	<u>17,616,261</u>	<u>17,882,261</u>	<u>19,597,339</u>
USE OF FUNDS					
Expenditures					
Administration	498,968	870,000	870,000	870,000	870,000
City Hall FF&E	16,607	0	0	0	0
City Hall Occupancy	4,324	0	0	0	0
Education/Health	5,475,905	6,402,766	6,402,766	6,402,766	6,540,972
Innovation/Health	0	0	0	0	0
Senior Services/Health	2,146,353	1,814,029	1,812,257	1,812,257	1,741,036
Tobacco-Free Community/Health	<u>602,572</u>	<u>324,570</u>	<u>324,570</u>	<u>324,570</u>	<u>309,936</u>
Total Expenditures	8,744,729	9,411,365	9,409,593	9,409,593	9,461,944
Transfers					
City Hall Debt Service Fund	0	72,871	72,871	72,871	95,290
General Fund - City Hall O&M	17,908	0	0	0	0
Interest on Conn. Fee Loan	2,211	14,000	14,000	14,000	28,000
Sanitary Sewer Connection Fee	1,000,000	1,500,000	1,500,000	1,500,000	3,000,000
Fund Loan Repayment					
Total Transfers	<u>1,020,119</u>	<u>1,586,871</u>	<u>1,586,871</u>	<u>1,586,871</u>	<u>3,123,290</u>

**ANTI-TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE
FUND (426)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2005-2006 Actual</u>	<u>2006-2007 Adopted</u>	<u>2006-2007 Modified</u>	<u>2006-2007 Estimate</u>	<u>2007-2008 Proposed</u>
USE OF FUNDS (CONT'D.)					
Ending Fund Balance					
Interest Earnings Reserve	667,330	678,776	740,330	740,330	806,364
Reserve for Encumbrances	2,806,445	2,896,056	2,806,445	2,806,445	2,806,445
To Be Allocated	0	23,407	23,407	23,407	23,407
Unrestricted	<u>3,235,486</u>	<u>2,513,431</u>	<u>3,049,615</u>	<u>3,315,615</u>	<u>3,375,889</u>
Total Ending Fund Balance	6,709,261	6,111,670	6,619,797	6,885,797	7,012,105
TOTAL USE OF FUNDS	<u>16,474,109</u>	<u>17,109,906</u>	<u>17,616,261</u>	<u>17,882,261</u>	<u>19,597,339</u>

LEGEND
Newly Funded Agencies
Not Recommended

APPLICATION	ORGANIZATION	PROJECT TITLE	2006-2007 FUNDING	2007-2008 REQUEST	2007-08 RECCMNDTN	PROJECT DESIGN	WORK PLAN	OUTCOMES	LEVERAGE	PAST PERFORMANCE
EDUCATION/HEALTH CATEGORY										
816	African American Community Services Agency	Beyond School Hours Program	\$ -	\$ 25,000	\$ 25,000	HIGH	MEDIUM	MEDIUM	HIGH	NA
899	Alum Rock Counseling Center, Inc.	Turning Point Mentoring Program (TPM)	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
826	Big Brother Big Sisters of the Bay Area	San Jose School-based Mentoring Project	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
840	Bill Wilson Center	Project Safe Place: Safe Place Community Outreach	\$ 46,992	\$ 49,342	\$ 49,342	HIGH	HIGH	HIGH	HIGH	MEDIUM
861	Bill Wilson Center	School-based Critical Incident Stress Management Services	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	HIGH	HIGH	HIGH	MEDIUM
883	Boys & Girls Clubs of Silicon Valley	SMART Moves	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	HIGH	HIGH	HIGH	HIGH
884	Boys & Girls Clubs of Silicon Valley	Youth Technology Program	\$ 32,664	\$ 34,297	\$ 34,297	HIGH	HIGH	HIGH	HIGH	HIGH
830	Center for Training & Careers, Inc.	21st Century	\$ -	\$ 25,000	\$ -	HIGH	LOW	MEDIUM	HIGH	NA
877	City Year, Inc.	City Year After Schol Homework and Enrichment Program	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	HIGH	HIGH	HIGH	HIGH
900	Community Partners for Youth, Inc.	Alcanzar Program	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
901	Community Partners for Youth, Inc.	Step-Up to Brighter Futures Program	\$ 77,682	\$ 81,566	\$ 81,566	HIGH	HIGH	HIGH	HIGH	HIGH
896	Crosscultural Community Services Center	Truancy Intervention Project (TIP)	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
897	Crosscultural Community Services Center	Junior For Success (JFS)	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
885	East Side Union High School District, and the Evergreen Community College District	P.A.R.T.I. Program	\$ -	\$ 25,000	\$ -	LOW	MEDIUM	MEDIUM	HIGH	NA
865	Emergency Housing Consortium	Truancy Reduction Program	\$ -	\$ 25,000	\$ 25,000	HIGH	MEDIUM	HIGH	HIGH	NA
817	Estrella Family Services	Weight, Worry, and Waffles Wellness Program	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
868	Ethiopian Community Services, Inc.	After School Youth Program	\$ 25,000	\$ 25,000	\$ 25,000	MEDIUM	MEDIUM	HIGH	HIGH	HIGH
848	Fresh Lifelines for Youth	Law for Your Life	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	HIGH	HIGH	HIGH	HIGH
850	Fresh Lifelines for Youth	Legal Eagle	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	HIGH	HIGH	HIGH	HIGH
886	Friends Outside in Santa Clara County	Tutoring and Educational Advocacy Program	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	HIGH	HIGH	LOW	HIGH
887	Friends Outside in Santa Clara County	The Family Enhancement Project	\$ -	\$ 25,000	\$ -	MEDIUM	MEDIUM	MEDIUM	LOW	NA
833	Goodwill Industries of Santa Clara County	School-to-Career Program	\$ -	\$ 55,251	\$ 55,251	HIGH	HIGH	HIGH	HIGH	HIGH
895	Greater San Jose After-School All-Stars	Middle School Sports League/After School Program	\$ 85,221	\$ 89,482	\$ 89,482	HIGH	MEDIUM	HIGH	HIGH	HIGH
814	Housing Authority of County of Santa Clara	SMARTS - Summer Youth Program	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	MEDIUM	HIGH	NA
866	Indian Health Center of Santa Clara Valley	San Jose Native Youth Empowerment Program	\$ 35,244	\$ 37,006	\$ 37,006	HIGH	MEDIUM	HIGH	HIGH	HIGH

APPLICATION	ORGANIZATION	PROJECT TITLE	2006-2007 FUNDING	2007-2008 REQUEST	2007-08 RECCMNDTN	PROJECT DESIGN	WORK PLAN	OUTCOMES	LEVERAGE	PAST PERFORMANCE
834	International Children Assistance Network (ICAN)	Happy 5 Project	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	HIGH	HIGH	HIGH	HIGH
854	Junior Achievement of Silicon Valley & Monterey Bay, Inc.	Workforce Readiness and Economic Education Program	\$ 35,200	\$ 36,960	\$ 36,960	HIGH	HIGH	HIGH	HIGH	MEDIUM
890	Mt. Pleasant Elementary School District	Family Advocate Model of Empowerment (F.A.M.E.)	\$ 50,160	\$ 52,668	\$ 52,668	HIGH	HIGH	HIGH	HIGH	MEDIUM
860	Nativity Schools of San Jose	Our Lady of Grace Nativity Middle School for Girls	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
874	Nativity Schools of San Jose	Sacred Heart Nativity School for Boys	\$ -	\$ 25,000	\$ 25,000	HIGH	MEDIUM	HIGH	HIGH	NA
856	O'Neill Sea Odyssey	San Jose Community Oceanography Program	\$ 25,000	\$ 25,000	\$ 25,000	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM
869	Resource Area for Teachers dba Resource Area for Teaching	RAFT Project	\$ 46,200	\$ 48,500	\$ 48,500	HIGH	HIGH	HIGH	HIGH	HIGH
823	Respite and Research for Alzheimer's Disease	Rosa Elena Childcare Center	\$ 25,846	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	HIGH
838	Rohi Alternative Community Outreach, Inc.	THRIVE Institute for Learning	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	MEDIUM	NA
811	Sacred Heart Community Service	Turn the Tide Youth Education Program	\$ 45,760	\$ 48,048	\$ 48,048	HIGH	HIGH	HIGH	HIGH	HIGH
842	San Jose Conservation Corps & Charter School	Youth Corps	\$ 48,530	\$ 42,704	\$ 42,704	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
881	San Jose Conservation Corps & Charter School	YouthBuild	\$ 54,824	\$ 57,565	\$ 57,565	MEDIUM	MEDIUM	HIGH	HIGH	MEDIUM
864	San Jose Day Nursery	Kindergarten Readiness Program	\$ 71,568	\$ 75,146	\$ 75,146	HIGH	HIGH	HIGH	HIGH	HIGH
835	San Jose Grail Family Services	Ready, Set, Read! Family Literacy Project	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
836	San Jose Grail Family Services	Family Empowerment Program	\$ -	\$ 25,000	\$ 25,000	HIGH	MEDIUM	HIGH	HIGH	NA
871	San Jose Public Library	Books for Little Hands	\$ 121,709	\$ 127,794	\$ 127,794	HIGH	HIGH	HIGH	HIGH	MEDIUM
898	San Jose/Silicon Valley NAACP	Youth Leadership Academy	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	HIGH	HIGH	HIGH	HIGH
847	School Health Clinics of Santa Clara County	Washington Neighborhood Health Clinic	\$ 26,389	\$ 27,708	\$ 27,708	HIGH	HIGH	HIGH	HIGH	HIGH
832	Sherman Oaks Community Charter School, Campbell Union School District	Kinder Readiness Project		\$ 25,000	\$ 25,000	HIGH	MEDIUM	HIGH	MEDIUM	NA
828	SJB Child Development Center	Health Education and Prevention	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	HIGH	HIGH	MEDIUM	MEDIUM
849	Student Racing Partners, Inc.	Model Car Program	\$ 28,213	\$ 29,624	\$ 29,624	HIGH	HIGH	HIGH	HIGH	MEDIUM
880	The Unity Care Group	Foster and Middle School Youth Leadership Program	\$ 68,295	\$ 71,709	\$ 71,709	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
813	Third Street Community Center	Inspiring Young Minds and Families	\$ 33,088	\$ 34,742	\$ 34,742	HIGH	HIGH	HIGH	HIGH	MEDIUM
851	Tooth Mobile	Dental Care for Children of San Jose	\$ 92,813	\$ 97,000	\$ 97,000	MEDIUM	MEDIUM	HIGH	HIGH	HIGH
852	Vietnamese Voluntary Foundation (VIVO)	Phu Dong Youth Project	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	MEDIUM	HIGH	HIGH	HIGH
825	YMCA of Santa Clara Valley	YMCA Afterschool at Lietz and Farnham Elementary Schools	\$ 37,685	\$ 39,570	\$ 39,570	HIGH	HIGH	HIGH	HIGH	MEDIUM
889	YMCA of Santa Clara Valley	Project Cornerstone School Partnerships	\$ 43,372	\$ 45,540	\$ 45,540	HIGH	HIGH	HIGH	HIGH	MEDIUM

APPLICATION	ORGANIZATION	PROJECT TITLE	2006-2007 FUNDING	2007-2008 REQUEST	2007-08 RECCMNDTN	PROJECT DESIGN	WORK PLAN	OUTCOMES	LEVERAGE	PAST PERFORMANCE
875	YWCA of Silicon Valey	Pathways to Success		\$ 25,000	\$ -	HIGH	HIGH	LOW	MEDIUM	NA
876	YWCA of Silicon Valey	Family Life Sex Education		\$ 25,000	\$ -	HIGH	HIGH	HIGH	LOW	NA
Education/Health Category Subtotal				\$ 2,100,972	\$ 1,975,972					

APPLICATION	ORGANIZATION	PROJECT TITLE	2006-2007 FUNDING	2007-2008 REQUEST	2007-08 RECCMNDTN	PROJECT DESIGN	WORK PLAN	OUTCOMES	LEVERAGE	PAST PERFORMANCE
SENIORS SERVICES/HEALTH CATEGORY										
839	Bay Area Legal Aid	Senior Legal Advocacy Project	\$ 32,604	\$ 34,234	\$ 34,234	HIGH	HIGH	HIGH	HIGH	HIGH
872	Billy DeFrank LGBT Community Center	LGBT Senior Services Program	\$ 44,177	\$ 46,385	\$ 46,385	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
831	Catholic Charities of San Jose	Support to At-Risk Seniors (STARS)	\$ 51,524	\$ 54,100	\$ 54,100	HIGH	HIGH	HIGH	HIGH	MEDIUM
853	Catholic Charities of San Jose	Older Caregivers Respite and Support Services	\$ 98,192	\$ 103,101	\$ 103,101	MEDIUM	HIGH	HIGH	HIGH	MEDIUM
815	City of San Jose, PRNS	Addressing the Gaps in Aging Services	\$ 631,317	\$ 662,883	\$ 662,883	HIGH	MEDIUM	HIGH	HIGH	HIGH
827	Diabetes Society	Outreach and Education for Seniors with Diabetes	\$ -	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	NA
822	Emergency Housing Consortium	Markham Terrace Supportive Housing Program for Seniors	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	HIGH	HIGH	HIGH	MEDIUM
820	Ethiopian Community Services, Inc.	Senior Services	\$ 35,375	\$ 37,144	\$ 37,144	HIGH	HIGH	HIGH	HIGH	HIGH
873	Generations Community Wellness Centers	Spring Chicken	\$ -	\$ 25,000	\$ 25,000	MEDIUM	MEDIUM	HIGH	HIGH	NA
894	Housing Authority of County of Santa Clara	Senior Independent Living Project	\$ -	\$ 25,000	\$ -	MEDIUM	MEDIUM	MEDIUM	HIGH	NA
863	Indian Health Center of Santa Clara Valley	Coordinating Care for our American Indian Elders Program	\$ 47,617	\$ 49,997	\$ 49,997	HIGH	HIGH	HIGH	HIGH	HIGH
843	Jewish Family Services of Silicon Valley	To Life! A Wellness Program for Seniors	\$ 30,409	\$ 31,929	\$ 31,929	HIGH	HIGH	HIGH	HIGH	HIGH
862	Live Oak Adult Day Services	Senior Adult Day Care/Respite	\$ 28,971	\$ 29,605	\$ 29,605	HIGH	HIGH	HIGH	HIGH	MEDIUM
891	Mexican American Community Services Agency, Inc.	MACSA Adult Day Health Care Scholarship Project	\$ 47,690	\$ 49,900	\$ 49,900	HIGH	HIGH	HIGH	HIGH	MEDIUM
892	Mexican American Community Services Agency, Inc.	MACSA Adult Day Health Caregiver Support and Respite Project	\$ 25,000	\$ 37,500	\$ 37,500	HIGH	MEDIUM	HIGH	HIGH	HIGH
857	Next Door Solutions to Domestic Violence	Mature Alternatives to Violent Environments Now (MAVEN)	\$ 85,997	\$ 84,141	\$ 84,141	HIGH	HIGH	HIGH	HIGH	MEDIUM
855	Outreach & Escort, Inc.	Senior Transportation Program	\$ 135,432	\$ 142,204	\$ 142,204	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
824	Respite and Research for Alzheimer's Disease	Alzheimer's Activity Center	\$ 25,000	\$ 26,250	\$ 26,250	HIGH	MEDIUM	HIGH	HIGH	HIGH
859	Santa Clara Valley Blind Center, Inc.	Seniors Living with Vision Loss	\$ 46,464	\$ 48,780	\$ 48,780	HIGH	HIGH	HIGH	HIGH	MEDIUM
846	Self-Help for the Elderly	Minority Senior Wellness Project	\$ 115,130	\$ 120,886	\$ 120,886	HIGH	MEDIUM	HIGH	HIGH	HIGH
845	Senior Adults Legal Assistance (SALA)	Legal Assistance to San Jose Elders Expansion Project	\$ 34,473	\$ 34,473	\$ 34,473	HIGH	HIGH	HIGH	HIGH	HIGH
867	The Asian Americans for Community Involvement of Santa Clara	Senior Wellness Program	\$ -	\$ 29,775	\$ 29,775	HIGH	MEDIUM	LOW	HIGH	MEDIUM
812	The Health Trust	Meals on Wheels	\$ 28,809	\$ 30,249	\$ 30,249	HIGH	HIGH	HIGH	HIGH	MEDIUM
818	Tooth Mobile	Dental Care for Seniors	\$ 127,908	\$ 134,303	\$ -	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH
Senior Services/Health Category Subtotal				\$ 1,900,339	\$ 1,741,036					

APPLICATION	ORGANIZATION	PROJECT TITLE	2006-2007 FUNDING	2007-2008 REQUEST	2007-08 RECCMNDTN	PROJECT DESIGN	WORK PLAN	OUTCOMES	LEVERAGE	PAST PERFORMANCE
TOBACCO-FREE COMMUNITY/HEALTH CATEGORY										
821	Breathe California of the Bay Area	Fostering Tobacco-Free Communities	\$ 83,589	\$ 87,760	\$ 87,760	HIGH	HIGH	HIGH	MEDIUM	HIGH
870	Pathway Society, Inc.	Pathway to Family Wellness	\$ 25,000	\$ 25,000	\$ 25,000	HIGH	HIGH	HIGH	HIGH	HIGH
893	Peninsula Stroke Association	PSA Youth Stroke Education Program	\$ -	\$ 25,000	\$ -	HIGH	HIGH	HIGH	LOW	NA
888	San Jose Children's Musical Theater	Healthy Stages	\$ 55,786	\$ 58,576	\$ 58,576	HIGH	MEDIUM	HIGH	HIGH	MEDIUM
819	San Jose Jazz Society	Keep the Music Alive	\$ 132,000	\$ 138,600	\$ 138,600	MEDIUM	MEDIUM	HIGH	MEDIUM	HIGH
858	YWCA of Silicon Valey	In the Know (Tobacco Awareness Education and Prevention Program)	\$ -	\$ 25,000	\$ -	HIGH	HIGH	HIGH	LOW	NA
Tobacco-Free Community/Health Category Subtotal				\$ 359,936	\$ 309,936					
TOTAL				\$ 4,361,247	\$ 4,026,944					



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: May 23, 2007

Approved	/s/	Date	05/25/07
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SUBJECT: WATER UTILITY SYSTEM-RATE INCREASE BREAKDOWN/ RATE STABILIZATION RESERVE BALANCE

BACKGROUND

On May 14, 2007, during the Operating Budget Study Session, Vice Mayor Cortese requested that staff provide a breakdown of the proposed municipal water rate increase and to look at other reserves including the Rate Stabilization Reserve (RSR) to see if funds can be withdrawn to partially or fully offset the proposed water rate increase.

ANALYSIS

As part of Ordinance No. 26903, the RSR was established beginning in 2004-2005. The reserve is calculated each year at 5% of water sales revenue. The current balance in the RSR stands at \$1,148,000. Retail water rates must be set to recover increased operating costs associated with wholesale water, Integrated Billing System, and maintaining appropriate reserve levels per the Municipal Code. Operating costs are projected to increase by \$2,521,974 in 2007-2008 which would require a rate increase of 12%. The final actual amount of the costs and rate increase, however, will be determined after the Santa Clara Valley Water District and San Francisco Public Utilities Commission set the cost of wholesale water, currently scheduled for the first week of June. This information will be incorporated in the final municipal water rate recommendation that will be brought forward for Council consideration on June 19th.

ANALYSIS (CONT'D)

The following table shows the range of the ongoing cost increase breakdown that needs to be recovered in water rates:

2007-2008 Increase Projections

<u>Wholesale Water</u>	<u>Cost Increase</u>	<u>Rate Increase</u>
SFPUC ⁽¹⁾	\$287,000	1.37%
SCVWD ⁽¹⁾	\$1,435,650	6.84%
<u>2007-08 Budget Proposals</u>		
Integrated Billing System	\$254,809	1.21%
Green Building	\$89,734	0.42%
<u>Reserves & Transfers⁽²⁾</u>		
Overhead and Transfers	\$351,421	1.67%
Rate Stabilization Reserve	\$103,360	0.49%
TOTAL	\$2,521,974	12%

Staff does not recommend using the RSR for ongoing expenses such as the cost of wholesale water. Using the RSR in 2007-2008 will reduce the rate increase, but in 2008-2009 retail rates will have to be increased at a higher rate to recover the 2007-2008 and 2008-2009 wholesale water costs. Staff recommends using the RSR only under the following conditions:

- To postpone a rate increase if wholesale water costs increase unexpectedly during A given year;
- A fluctuation in water consumption revenues due to drought creating an unanticipated shortfall;
- Catastrophic losses as a result of a natural disaster.

/s/
JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, at 277-4218.

⁽¹⁾ These figures were based on the range of the percentage increase provided by SCVWD & SFPUC.

⁽²⁾ The Reserves and Transfers figures are calculated based on percentage of revenues per the Municipal Code.

Page VII-146: Procure, Manage and Conserve Clean, Economical and Reliable Sources of Energy Measures C.1. % of energy conserved in City facilities:

	2008-2012	2006-2007	2006-2007	2007-2008	2008-2009
	<u>5-Yr Goal</u>	<u>1-Yr Target</u>	<u>Estimate</u>	<u>1-yr Target</u>	<u>2-yr Target</u>
Published Data	16%	16%	16%	16%	16%
Corrected Data	30%	16%	20%	22%	25%

The 2006-2007 estimate and subsequent targets and goal have increased due to aggressive energy conservation projects by the departments of Environmental Services and General Services. The majority of savings has and continues to occur as a result of energy saving efforts at the Wastewater Treatment Plant and the implementation of several city building energy projects including the use of LED technology.

Page VII-179: (Air) % of City vehicles using alternative fuels or are ultra-low emission vehicles:

	2008-2012	2006-2007	2006-2007	2007-2008	2008-2009
	<u>5-Yr Goal</u>	<u>1-Yr Target</u>	<u>Estimate</u>	<u>1-yr Target</u>	<u>2-yr Target</u>
Published Data	15%	11%	11%	11%	11%
Corrected Data	50%	11%	34%	36%	40%

The 2006-2007 estimate and subsequent targets and goal increased substantially due to the integration of biodiesel, and the acquisition of fleet replacements utilizing hybrid, and compressed natural gas technology. The infusion of this technology into the City of San Jose fleet was accomplished by the thorough collection and analysis of fleet data by staff from the departments of Environmental Services and General Services.

Page VII-179: (Energy) % of energy conserved in City facilities:

	2008-2012	2006-2007	2006-2007	2007-2008	2008-2009
	<u>5-Yr Goal</u>	<u>1-Yr Target</u>	<u>Estimate</u>	<u>1-yr Target</u>	<u>2-yr Target</u>
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The 2006-2007 estimate and subsequent targets and goal have increased due to aggressive energy conservation projects by the departments of Environmental Services and General Services. The majority of savings has and continues to occur as a result of energy saving efforts at the Wastewater Treatment Plant and the implementation of several city building energy projects including the use of LED technology.

HONORABLE MAYOR AND CITY COUNCIL

May 22, 2007

**Subject: 2007-2008 Proposed Operating Budget Replacement Pages for Environmental Services Department
Performance Measures**

Page 3

COORDINATION

This MBA has been coordinated with the Department of General Services.

/s/

Larry D. Lisenbee
Budget Director

/s/

John Stufflebean
Director of Environmental Services

Attachments

City Service Area
Environmental and Utility Services
PERFORMANCE BY OUTCOME

Outcome 3: “Clean and Sustainable” Air, Land and Energy

Green and Sustainable Building Program

In March 2007, the City Council adopted a revised Green Building Policy requiring that certain new municipal buildings over 10,000 square feet be constructed to achieve LEED Silver level certification at a minimum, with a goal of reaching LEED Gold or Platinum certification. As one of the five largest U.S. cities that have adopted the LEED Silver standard, San José’s new Green Building Policy places it in the forefront of cities striving toward sustainability. City projects already underway toward achieving Silver LEED certification include: the Roosevelt Community Center and the South San José Police Substation.

Included in the revised Policy was direction that staff assess existing City facilities, including a pilot project that would apply the LEED-Existing Building rating system, and establish a work plan for outreach to the private sector. Components of this pilot include exploring incentives and providing education on the use of additional LEED or other high-performance building guidelines and specifically include all developments supported by the Redevelopment Agency and Housing funds.

Energy supply, reliability, and rising costs continue to be a concern. As part of the City’s Sustainable Energy Policy, San José is increasing its efforts to pursue energy efficiency in City operations. In particular, as part of Mayor and Council direction, the potential use of renewable/solar energy on City facilities will be assessed and explored.

The City is continuing its partnership with PG&E and the California Public Utilities Commission through the Silicon Valley Energy Watch Program (SVEW). The 2006-2008 SVEW Program will provide targeted energy education and outreach services within the South Bay/Silicon Valley. Through this new agreement, the City will develop outreach to increase energy efficiency program participation, based on the unique needs of the South Bay/Silicon Valley. Acting as a Regional Coordinator for PG&E Portfolio Programs, the City will work closely with PG&E, local government partnerships, and third party energy efficiency providers to augment the success of regional programs through enhanced coordination. This will reduce customer confusion and lost opportunities, while increasing program permeation in customer markets.

5 Year Strategic Goals	CSA Performance Measures	2008-2012 5-yr Goal	2006-2007 1-yr Target	2006-2007 Estimate	2007-2008 1-yr Target	2008-2009 2-yr Target
A. Promote improved air quality	1. % of City vehicles using alternative fuels or are ultra-low emission vehicles	50%	11%	34%	36%	40%
B. Utilize Green Building Design principles in all public buildings and encourage their use in private development	1. % of new and existing buildings incorporating Green Building Guidelines:					
	-Applicable Public Buildings	100%	100%	100%	100%	100%
	-Commercial Buildings	10%	10%	10%	10%	10%
	-Attached Residential	10%	10%	10%	10%	10%
C. Procure, manage and conserve clean, economical and reliable sources of energy	1. % of energy conserved in City facilities	16%	16%	16%	16%	16%
	2. # of renewable systems in City facilities	5	1	1	1	1
D. Reduce, reuse, and recycle solid waste at home, work, and play	1. % of residents rating the City’s job of providing information on how to recycle as good or excellent	90%	88%	70%	88%	88%
E. Promote environmentally responsible land use	4. % of City-owned closed landfills utilized for Tier 1 beneficial uses	0%	20%	20%	20%	DELETE

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2006-2007 Adopted Budget:

✘ The 2006-2007 measure “% of City-owned closed landfills utilized for Tier 1 beneficial uses” was deleted. This measure has been in place for several years and due to achieved results there is little more progress to be made.

Environmental and Utility Services CSA

Core Service: Protect Natural and Energy Resources *Environmental Services Department*

Performance and Resource Overview (Cont'd.)

Protect Natural and Energy Resources Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
 (Energy) % of energy conserved in City facilities	15%	16%	20%	22%
 (Energy) % of new City facilities incorporating the Green Building Guidelines implementation goal as adopted by Council (LEED certification)	100%	100%	100%	100%
 (Air) % of City vehicles using alternative fuels or Ultra-Low Emission Vehicles	11%	11%	34%	36%
 (Water) % of annual goal for gallons of water conserved tributary area-wide	108%	100%	107%	100%
 (Land) % of Notice of Violations resolved to the satisfaction of the regional body	100%*	100%	100%	100%
 (Land) % of City-owned closed landfills utilized for Tier 1 beneficial uses	20%	20%	20%	20%
 (Land) % of City-owned closed landfills utilized for Tier 2 beneficial uses	60%	60%	60%	60%
 (Water) Net cost per million gallons per day of water conserved through City programs**	\$1.93	\$2.00	\$2.05	\$2.10
 (Water) % of residents demonstrating water conservation knowledge	N/A***	30%	29%	30%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2006-2007 Adopted Budget:

- ✘ (Land) % of City-owned closed landfill¹ measures to be deleted as no further progress is expected to be made.
- ↻ The Water Cost measure was revised to provide more meaningful and understandable information to residents.

* No notices were issued in 2005-2006.

** Cost after Santa Clara Valley Water District cost-sharing.

*** Data for this measure will come from the biennial Water Focus Survey, Measure was added after the previous survey was conducted so it was not possible to get data for 2005-2006.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee
John Stufflebean

**SUBJECT: 2007-2008 PROPOSED
OPERATING BUDGET
REPLACEMENT PAGES FOR
ENVIRONMENTAL SERVICES
DEPARTMENT BUDGET PROPOSAL
CORRECTION**

DATE: May 21, 2007

Approved /s/ Date 05/25/07

RECOMMENDATION

Replace the following pages in the 2007-2008 Proposed Operating Budget:

<u>Section</u>	<u>Page Number</u>
Summary of Fund Activity	III-8,10
Summary of Total Operations by City Service Area	III - 14
Environmental and Utility Services – Budget Summary	VII-131
Environmental and Utility Services – Proposed Investment Changes	VII-148
Environmental and Utility Services – Manage Urban Runoff Quality Core Service	VII-167, 168
Environmental and Utility Services – Manage Wastewater Core Service	VII-171, 175
Environmental Services Department – Department Budget Summary and Reconciliation	VIII-40, 43
Source and Use of Funds – Storm Sewer Operating Fund	XI-78,79
Source and Use of Funds – San José/Santa Clara Treatment Plant Operating Fund	XI-71,72

BACKGROUND

During the Environmental and Utility Services (E&US) City Service Area Budget Study Session on May 14, 2007, it was determined that the proposed core service change entitled “Watershed Enforcement Staffing” on page VII-167 of the 2007-2008 Proposed Operating Budget incorrectly listed consultant costs in the proposal description and recommended funding total.

The \$75,000 in consultant costs should not have been included in this proposal, nor in the “Manage Urban Runoff Quality” core service. Rather, the proposal should have been listed separately in the core service “Manage Wastewater” as identified on the attached corrected page VII-175 under “Pollution Prevention Program Expansion.”

HONORABLE MAYOR AND CITY COUNCIL

March 21, 2007

**Subject: 2007-2008 Proposed Operating Budget Replacement Page for Environmental Services Department
Budget Proposal Correction**

Page 2

BACKGROUND (CONT'D)

The necessary resulting net-zero revisions to the 2007-2008 Proposed Operating Budget as a result of the proposed changes are highlighted in the attached replacement pages that follow.

/s/

Larry D. Lisenbee
Budget Director

/s/

John Stufflebean
Director, Environmental Services

Attachments

CITY OF SAN JOSE
2007-2008 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	Beginning Fund Balance 07/01/2007	Revenue and Transfers	Estimated Sources Available	Expenses Transfers	Ending Fund Balance 06/30/2008	Estimated Uses Available
General Fund						
001 General Fund	106,282,138	789,941,996	896,224,134	869,861,980	26,362,154	896,224,134
Enterprise Fund:						
519 Airport Customer Facility And Transportation Fee Fund	744,709	5,832,236	6,576,945	5,832,236	744,709	6,576,945
525 Airport Fiscal Agent Fund	34,762,441	516,419,108	551,181,549	527,193,894	23,987,655	551,181,549
523 Airport Maintenance And Operation Fund	13,826,382	107,210,201	121,036,583	106,051,248	14,985,335	121,036,583
521 Airport Revenue Fund	12,172,346	129,023,263	141,195,609	132,683,309	8,512,300	141,195,609
524 Airport Surplus Revenue Fund	5,163,978	4,000,000	9,163,978	4,507,000	4,656,978	9,163,978
533 General Purpose Parking Fund	13,101,164	10,425,000	23,526,164	12,467,343	11,058,821	23,526,164
514 San Jose/Santa Clara Treatment Plant Income Fund	355,078	23,535	378,613	300,000	78,613	378,613
513 San Jose/Santa Clara Treatment Plant Operating Fund	14,897,062	72,377,666	87,274,728	73,349,463	13,925,265	87,274,728
539 Sewage Treatment Plant Connection Fee Fund	18,084,104	7,475,872	25,559,976	23,446,702	2,113,274	25,559,976
541 Sewer Service & Use Charge Fund	26,972,614	102,217,252	129,189,866	110,685,952	18,503,914	129,189,866
515 Water Utility Fund	4,773,585	24,847,000	29,620,585	25,810,499	3,810,086	29,620,585
Trust and Agency Fund						
139 Gift Trust Fund	2,160,350		2,160,350	2,089,580	70,770	2,160,350
132 Municipal Health Services Program Fund	46,733	1,067,878	1,114,611	1,079,756	34,855	1,114,611
Internal Service Fund:						
150 Public Works Program Support Fund	357,907	14,719,880	15,077,787	14,219,880	857,907	15,077,787
Special Revenue Fund:						
426 Anti-Tobacco Master Settlement Agreement Revenue Fund	6,885,797	12,711,542	19,597,339	12,585,234	7,012,105	19,597,339
160 Benefit Funds - Benefit Fund	154,942	58,233,000	58,387,942	58,184,325	203,617	58,387,942
155 Benefit Funds - Dental Insurance Fund	2,851,996	11,456,000	14,307,996	11,953,885	2,354,111	14,307,996
156 Benefit Funds - Life Insurance Fund	482,303	1,572,000	2,054,303	1,624,397	429,906	2,054,303
157 Benefit Funds - Unemployment Insurance Fund	1,891,610	103,000	1,994,610	945,005	1,049,605	1,994,610
351 Business Improvement District Fund	1,054,465	2,710,000	3,764,465	2,700,000	1,064,465	3,764,465
002 Cash Reserve Fund	5,003	135	5,138		5,138	5,138
210 City Hall Debt Service Fund	950,496	25,898,647	26,849,143	26,849,143		26,849,143
441 Community Development Block Grant Fund	7,488,722	11,888,923	19,377,645	15,888,676	3,488,969	19,377,645

CITY OF SAN JOSE
2007-2008 PROPOSED OPERATING BUDGET

SUMMARY OF FUND ACTIVITY

	<u>Beginning Fund Balance 07/01/2007</u>	<u>Revenue and Transfers</u>	<u>Estimated Sources Available</u>	<u>Expenses Transfers</u>	<u>Ending Fund Balance 06/30/2008</u>	<u>Estimated Uses Available</u>
Special Revenue Fund: (Cont'd.)						
359 Maintenance District #19 (River Oaks Area Landscaping) Fund	350,125	70,295	420,420	71,935	348,485	420,420
354 Maintenance District #2 (Trade Zone Blvd.- Lundy Ave.) Fund	92,203	69,508	161,711	122,732	38,979	161,711
365 Maintenance District #20 (Renaissance-N. First Landscaping) Fund	329,998	75,061	405,059	141,966	263,093	405,059
356 Maintenance District #21 (Gateway Place-Airport Parkway) Fund	232,615	84,696	317,311	88,252	229,059	317,311
367 Maintenance District #22 (Hellyer Ave.-Silver Creek Valley Rd.) Fund	295,351	91,223	386,574	130,986	255,588	386,574
357 Maintenance District #5 (Orchard Parkway-Plumeria Drive) Fund	333,877	64,100	397,977	160,660	237,317	397,977
361 Maintenance District #8 (Zanker-Montague) Fund	264,214	88,953	353,167	85,990	267,177	353,167
362 Maintenance District #9 (Santa Teresa-Great Oaks) Fund	384,663	160,974	545,637	221,847	323,790	545,637
448 Multi-Source Housing Fund	7,090,935	7,035,130	14,126,065	7,493,453	6,632,612	14,126,065
518 Municipal Golf Course Fund	708,463	2,180,000	2,888,463	2,246,867	641,596	2,888,463
417 State Drug Forfeiture Fund	1,531,516	45,000	1,576,516	369,735	1,206,781	1,576,516
551 Stores Fund	808,301	3,960,000	4,768,301	3,953,035	815,266	4,768,301
446 Storm Sewer Operating Fund	3,494,082	17,415,736	20,909,818	19,277,480	1,632,338	20,909,818
414 Supplemental Law Enforcement Services Fund	832,616	35,000	867,616		867,616	867,616
461 Transient Occupancy Tax Fund	2,527,819	13,450,000	15,977,819	14,637,693	1,340,126	15,977,819
552 Vehicle Maintenance And Operations Fund	3,454,367	23,868,029	27,322,396	23,928,847	3,393,549	27,322,396
290 Workforce Investment Act Fund	7,311,160	12,596,703	19,907,863	12,768,615	7,139,248	19,907,863
Capital Improvement Program Fund						
520 Airport Capital Improvement Fund	21,816,686	9,421,000	31,237,686	18,043,000	13,194,686	31,237,686
529 Airport Passenger Facility Charge Fund	30,535,712	24,945,000	55,480,712	2,608,000	52,872,712	55,480,712
527 Airport Renewal And Replacement Fund	1,912,174	4,615,000	6,527,174	4,322,000	2,205,174	6,527,174
526 Airport Revenue Bond Improvement Fund	390,118,911	494,296,000	884,414,911	494,796,000	389,618,911	884,414,911
472 Branch Libraries Bond Projects Fund	60,656,807	14,912,000	75,568,807	51,233,807	24,335,000	75,568,807
429 Building And Structure Construction Tax Fund	8,086,406	19,753,000	27,839,406	25,511,000	2,328,406	27,839,406
397 C & C Tax Fund - Communications	4,120,560	918,000	5,038,560	994,000	4,044,560	5,038,560

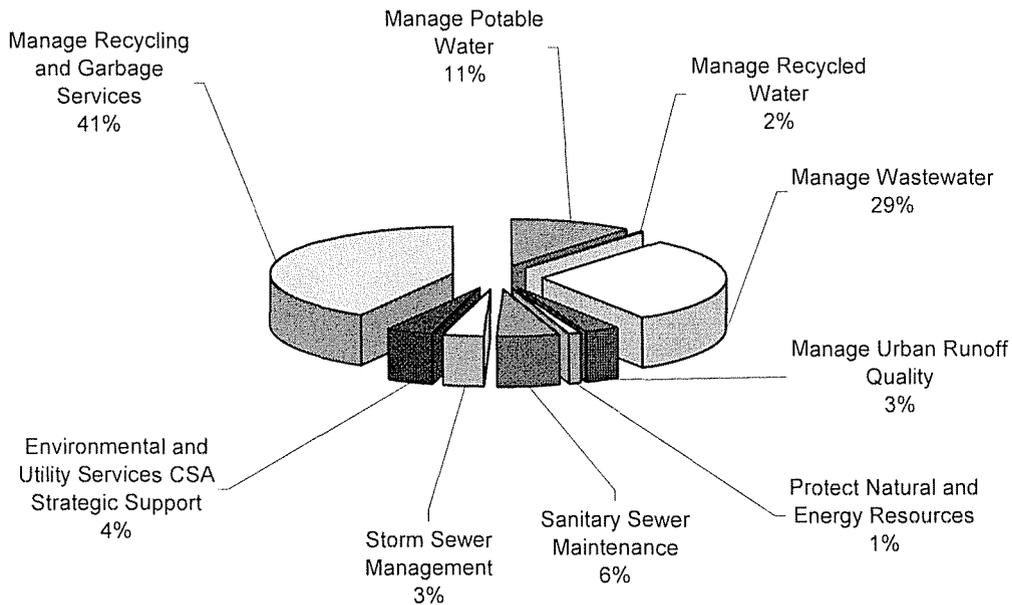
CITY OF SAN JOSE
2007-2008 PROPOSED OPERATING BUDGET
SUMMARY OF TOTAL OPERATIONS
BY CITY SERVICE AREA (ALL FUNDS) *

USE OF FUNDS	Department	General Fund	Enterprise Funds	Trust and Agency Funds	Special Revenue Funds	Internal Service Funds	Capital Funds	TOTAL
COMMUNITY AND ECONOMIC DEVELOPMENT								
Arts and Cultural Development	Econ. Develop.	1,265,795			133,234		498,935	1,897,964
Business/Job Attraction, Retention, Expansion and Creation	Econ. Develop.	1,868,011			284,545			2,152,556
Convention Facilities	Conv. Facilities				13,702,003			13,702,003
Development Plan Review and Building Construction Inspection	PBCE	26,250,573	152,124		219,571		55,615	26,677,883
Fire Safety Code Compliance	Fire	2,796,832					154,929	2,951,761
Increase the Affordable Housing Supply	Housing				1,314,151			1,314,151
Long Range Land Use Planning	PBCE	2,755,226	90,203		438,979		38,340	3,322,748
Maintain the Existing Affordable Housing Supply	Housing				4,139,132			4,139,132
Outdoor Special Events	Econ. Develop.	884,657						884,657
Provide Services to Homeless and At-Risk Population	Housing				488,684			488,684
Regulate/Facilitate Private Development	Public Works	6,765,023						6,765,023
Workforce Development	Econ. Develop.				3,988,551			3,988,551
Strategic Support		4,549,979			4,656,496			9,206,475
Total Community and Economic Development		47,136,096	242,327	0	29,365,346	0	747,819	77,491,588
ENVIRONMENTAL AND UTILITY SERVICES								
Manage Potable Water	ESD		21,291,733				564,909	21,856,642
Manage Recycled Water	ESD		4,233,192					4,233,192
Manage Recycling and Garbage Services	ESD	1,307,518			82,246,030			83,553,548
Manage Urban Runoff Quality	ESD				6,147,272			6,147,272
Manage Wastewater	ESD		59,217,815				557,889	59,775,704
Protect Natural and Energy Resources	ESD	138,565	2,369,467		95,936			2,603,968
Sanitary Sewer Maintenance	Transportation		11,072,205					11,072,205
Storm Sewer Management	Transportation	653,452			6,244,608			6,898,060
Strategic Support		4,464	7,091,166		1,470,120			8,565,750
Total Environmental and Utility Services		2,103,999	105,275,578	0	96,203,966	0	1,122,798	204,706,341

* City Service Area operations include personal services for all funds and non-personal/equipment expenditures for all funds with the exception of capital funds.

City Service Area
Environmental and Utility Services
BUDGET SUMMARY

2007-2008 Total Operations by Core Service



City Service Area Budget Summary

	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Manage Potable Water	\$ 16,781,942	\$ 19,479,522	\$ 21,856,642	\$ 21,856,642	12.2%
Manage Recycled Water	2,457,772	3,929,254	4,233,192	4,233,192	7.7%
Manage Recycling and Garbage Services	61,737,811	68,952,638	83,427,165	83,553,548	21.2%
Manage Urban Runoff Quality	4,447,924	5,808,278	5,591,196	6,147,272	5.8%
Manage Wastewater	50,510,843	53,211,230	56,508,353	59,775,704	12.3%
Protect Natural and Energy Resources	997,454	2,691,950	2,403,273	2,603,968	(3.3%)
Sanitary Sewer Maintenance	8,321,401	10,126,277	10,575,205	11,072,205	9.3%
Storm Sewer Management	5,927,884	6,773,569	6,831,686	6,898,060	1.8%
Strategic Support	7,582,546	8,642,525	8,565,750	8,565,750	(0.9%)
Subtotal	\$ 158,765,577	\$ 179,615,243	\$ 199,992,462	\$ 204,706,341	14.0%
Other Programs					
City-Wide Expenses	\$ 915,017	\$ 1,466,000	\$ 778,000	\$ 1,087,324	(25.8%)
Subtotal	\$ 915,017	\$ 1,466,000	\$ 778,000	\$ 1,087,324	(25.8%)
Total	\$ 159,680,594	\$ 181,081,243	\$ 200,770,462	\$ 205,793,665	13.6%
Authorized Positions	594.63	612.63	594.63	625.88	2.2%

City Service Area
Environmental & Utility Services
PROPOSED INVESTMENT CHANGES

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<i>Outcome: RELIABLE UTILITY INFRASTRUCTURE</i>			
<i>Manage Recycling and Garbage Services (Environmental Services)</i>			
• Intergrated Waste Management Program Administrative Efficiencies	2.00	(27,194)	0
• Community-Based Organizations Funding Reduction		(24,079)	(24,079)
• Las Plumas Site Maintenance*	1.00	177,656	0
• Public Litter Cans Maintenance	1.00	0	0
• Civic Yard Trimmings Collection Funding Shift		0	(235,200)
<i>Manage Wastewater (Environmental Services)</i>			
• Plant Infrastructure Management Program*	5.00	792,849	0
• Plant Preventative Maintenance Program*	5.00	660,518	0
• Plant As-Built Drawing Program*	5.00	557,889	0
• Plant Expansion and Reliability Improvement*	3.00	461,006	0
• Plant Industrial Safety Program*	1.00	153,511	0
• Plant Master Plan Outreach*		100,000	0
• Diesel Retrofit Mandate Compliance		90,000	0
• Plant HVAC Management Program	1.00	56,321	0
• Infrastructure Mapping Equipment*		50,000	0
• Vehicle Maintenance Staffing		(4,000)	0
<i>Sanitary Sewer Maintenance (Transportation)</i>			
• Vehicle Maintenance Staffing		(3,000)	0
<i>Storm Sewer Management (Transportation)</i>			
• Vehicle Maintenance Staffing		(2,000)	0
<i>Subtotal</i>	24.00	3,039,477	(259,279)
<i>Outcome: HEALTHY STREAMS, RIVERS, MARSH AND BAY</i>			
<i>Manage Urban Runoff Quality (Environmental Services)</i>			
• Watershed Enforcement Staffing	2.00	237,384	0
• 2008-2009 Storm Sewer Rate Increase Noticing and Outreach		200,000	0
• Construction Site Inspector Staffing*	1.00	118,692	0
<i>Manage Wastewater (Environmental Services)</i>			
• Plant Lab Staffing	2.00	187,565	0
• Pretreatment Program Staffing	0.00	86,692	0
• Pollution Prevention Program Expansion	0.00	75,000	0
<i>Sanitary Sewer Maintenance (Transportation)</i>			
• Sewer Maintenance Equipment		500,000	0
<i>Storm Sewer Management (Transportation)</i>			
• Storm Sewer Staffing	(0.75)	(63,546)	0
• Expanded Street Sweeping Signage	1.00	131,920	0
<i>Subtotal</i>	5.25	1,473,707	0

Environmental and Utility Services CSA

Core Service: Manage Urban Runoff Quality *Environmental Services Department*

Performance and Resource Overview (Cont'd.)

Manage Urban Runoff Quality Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Proposed 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 2,510,031	\$ 2,783,998	\$ 2,900,669	\$ 3,160,745	13.5%
Non-Personal/Equipment	1,937,893	3,024,280	2,690,527	2,986,527	(1.2%)
Total	\$ 4,447,924	\$ 5,808,278	\$ 5,591,196	\$ 6,147,272	5.8%
 Authorized Positions	 24.43	 25.43	 25.69	 28.69	 12.8%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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HEALTHY STREAMS, RIVERS, MARSH AND BAY

1. Watershed Enforcement Staffing	2.00	237,384	0
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This proposal funds 2.0 additional Environmental Inspector positions to address the increased demands of implementing current stormwater permit requirements related to commercial and industrial inspection activities. These resources are necessary to comply with regulations under the new stormwater permit that will become effective in 2007-2008. (Ongoing costs: \$266,088)

Performance Results:

Quality, Ensures that the City maintains performance levels in implementing Urban Runoff Management Plan activities in compliance with the NPDES permit and improves the quality of stormwater runoff based on new C.3 requirements. **Cost** Increased cost per resident due to additional resources required to meet permit requirements.

Environmental and Utility Services CSA

Core Service: Manage Urban Runoff Quality *Environmental Services Department*

Budget Changes By Core Service (Cont'd.)

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
HEALTHY STREAMS, RIVERS, MARSH AND BAY (CONT'D.)			
2. 2008-2009 Storm Sewer Rate Increase Noticing and Outreach		200,000	0
<p>This action funds the costs of noticing and outreach efforts to San José property owners regarding the anticipated storm sewer rate increases scheduled for 2008-2009. As described earlier, the continuation of rate increases are needed to meet performance standards, set by the permit, and ensure adequate funding for projects that preserve the quality of stormwater runoff. As this document was going to press, at the April 17 meeting, the City Council approved a three year noticing plan for the Storm Sewer rate. This action means that some, if not all, of these costs, originally presumed on the assumption that only a one year plan would be approved this year, may not be needed. As a result, an action reallocating these funds will likely be brought forward later in the process. (Ongoing costs: 0)</p>			
Performance Results: No impacts to current performance levels are anticipated as a result of this proposal.			
3. Construction Site Inspector Staffing	1.00	118,692	0
<p>This proposal will fund an additional Environmental Inspector position to address the increased demands of implementing new and expanded stormwater permit requirements for the City's Construction Inspection Program. (Ongoing costs: 95,544)</p>			
Performance Results: Quality Ensures that the City maintains performance levels in implementing Urban Runoff Management Plan activities in compliance with the NPDES permit and improves the quality of stormwater runoff based on new C.3 requirements. Cost Increased cost per resident due to additional resources required to meet permit requirements.			
2007-2008 Proposed Core Service Changes Total	3.00	\$556,076	0

Environmental and Utility Services CSA

Core Service: Manage Wastewater *Environmental Services Department*

Performance and Resource Overview (Cont'd.)

Manage Wastewater Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Proposed 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 24,483,614	\$ 27,742,837	\$ 29,919,335	\$ 32,189,477	16.0%
Non-Personal/Equipment	26,027,229	25,468,393	26,589,018	27,586,227	8.3%
Total	\$ 50,510,843	\$ 53,211,230	\$ 56,508,353	\$ 59,775,704	12.3%
 Authorized Positions	 260.50	 271.50	 276.23	 298.23	 9.8%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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RELIABLE UTILITY INFRASTRUCTURE

1. Vehicle Maintenance Staffing	(4,000)	0
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This action would generate city-wide vehicle maintenance and operations cost savings totaling \$69,154 (\$55,323 in the General Fund), resulting from a recommended elimination of a vacant Equipment Mechanic Assistant position (vacant since June 2004) in the General Services Department. The cost savings in the Environmental Services Department, Manage Wastewater Core Service is \$4,000. No impacts to current service levels are anticipated with this reduction because of a decreased fleet size and the end, in 2006-2007, of the multi-year freeze on general fleet replacements, which has resulted in the average age of the fleet decreasing. Vehicle replacements, however, are still subject to an exemption process managed by both the General Services Department and the City Manager's Office. (Ongoing savings: \$4,000)

Performance Results:

No impacts to current performance levels are anticipated as a result of this proposal.

Environmental and Utility Services CSA

Core Service: Manage Wastewater *Environmental Services Department*

Budget Changes By Core Service (Cont'd.)

Proposed Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
HEALTHY STREAMS, RIVERS, MARSH AND BAY			
11. Plant Lab Staffing	2.00	187,565	0
<p>This proposal would fund for additional 1.0 Laboratory Technician and 1.0 Chemist to address increased workloads for Laboratory support from the Water Pollution Control Plant and Watershed Protection unit. The Chemist will be dedicated to quality assurance/quality control responsibilities and be available for sample receiving or bench scale pilot studies when requested. The Lab Technician will be utilized to help bring in-house the 608 (Pesticides and Polychlorinated Biphenyls) and 625 (semi-volatiles) analyses currently being sent out to contract labs. (Ongoing costs: \$189,588)</p>			
Performance Results:			
<i>Quality</i> Ensures that the City is in compliance with the NPDES permit and improves the quality of runoff based on new C.3 requirements.			
12. Pretreatment Program Staffing		86,692	0
<p>This proposal will fund one temporary staff position for one year to ensure adequate staffing to implement routine program activities and maintain customer compliance while also implementing an aggressive staff training program required to meet the response to the 2005 EPA Administrative Order. (Ongoing costs: \$0)</p>			
Performance Results:			
<i>Quality</i> Ensures that the City is in compliance with the NPDES permit and improves the quality of runoff based on new C.3 requirements and to meet the response to the 2005 EPA Administrative Order.			
13. Pollution Prevention Program Expansion		75,000	0
<p>This proposal will fund consultant costs for a pilot pollution prevention program including outreach and education to residents, business, and industry. This program will work with identifiable and controllable source of mercury discharge such as dental offices and work to reduce the amount of discharge. This program expansion addresses upcoming regulations tied to the Regional Water Quality Control Board's San Francisco Bay Total Maximum Daily Load determinations for specific pollutants. (Ongoing costs: \$75,000)</p>			
Performance Results:			
<i>Quality</i> Ensures that the City is in compliance with the NPDES permit and improves the quality of runoff based on new C.3 requirements and to meet the response to the 2005 EPA Administrative Order.			
2007-2008 Proposed Core Service Changes Total	22.00	3,267,351	0

Environmental Services Department

Department Budget Summary

	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Manage Potable Water	\$ 16,781,942	\$ 19,479,522	\$ 21,856,642	\$ 21,856,642	12.2%
Manage Recycled Water	2,457,772	3,929,254	4,233,192	4,233,192	7.7%
Manage Recycling and Garbage Services	61,737,811	68,952,638	83,427,165	83,553,548	21.2%
Manage Urban Runoff Quality	4,447,924	5,808,278	5,591,196	6,147,272	5.8%
Manage Wastewater	50,510,843	53,211,230	56,508,353	59,775,704	12.3%
Protect Natural and Energy Resources	997,454	2,691,950	2,403,273	2,603,968	(3.3%)
Strategic Support	6,760,178	7,810,593	7,679,992	7,679,992	(1.7%)
Total	\$ 143,693,924	\$ 161,883,465	\$ 181,699,813	\$ 185,850,318	14.8%
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 40,757,929	\$ 47,029,894	\$ 47,948,576	\$ 50,930,535	8.3%
Overtime	950,028	881,769	860,407	860,407	(2.4%)
Subtotal	\$ 41,707,957	\$ 47,911,663	\$ 48,808,983	\$ 51,790,942	8.1%
Non-Personal/Equipment					
Total	\$ 101,985,967	\$ 113,971,802	\$ 132,890,830	\$ 134,059,376	17.6%
Total	\$ 143,693,924	\$ 161,883,465	\$ 181,699,813	\$ 185,850,318	14.8%
Dollars by Fund					
General Fund	\$ 1,119,982	\$ 1,664,344	\$ 1,700,967	\$ 1,450,547	(12.8%)
Integrated Waste Mgmt	61,415,239	68,092,293	82,489,765	82,918,767	21.8%
Sewer Svc & Use Charge	329,519	831,099	995,973	1,055,269	27.0%
SJ/SC Treatment Plant Oper	58,807,045	65,007,941	68,169,995	70,847,777	9.0%
Storm Sewer Operating	4,846,110	6,340,920	6,112,960	6,713,332	5.9%
Water Utility	16,720,849	19,402,789	21,665,244	21,741,828	12.1%
Capital Funds	455,180	544,079	564,909	1,122,798	106.4%
Total	\$ 143,693,924	\$ 161,883,465	\$ 181,699,813	\$ 185,850,318	14.8%
Authorized Positions	446.50	462.50	446.50	477.50	3.2%

Environmental Services Department

Budget Reconciliation (Cont'd.)

(2006-2007 Adopted to 2007-2008 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Investment/Budget Proposals Recommended			
Manage Recycling and Garbage Services			
<i>Environmental & Utility Services CSA</i>			
- Integrated Waste Management Program Administrative Efficiencies	2.00	(27,194)	0
- Community-Based Organizations Funding Reduction		(24,079)	(24,079)
- Las Plumas Site Maintenance	1.00	177,656	0
- Public Litter Cans Maintenance Funding Shift	1.00	0	0
- Civic Yard Trimmings Collection Funding Shift		0	(235,200)
Manage Recycling and Garbage Services Subtotal:	4.00	126,383	(259,279)
Manage Urban Runoff Quality			
<i>Environmental & Utility Services CSA</i>			
- Watershed Enforcement Staffing	2.00	237,384	0
- 2008-2009 Storm Sewer Rate Increase Noticing and Outreach		200,000	0
- Construction Site Inspector Staffing	1.00	118,692	0
Manage Urban Runoff Quality Subtotal:	3.00	556,076	0
Manage Wastewater			
<i>Environmental & Utility Services CSA</i>			
- Plant Infrastructure Management Program	5.00	792,849	0
- Plant Preventative Maintenance Program	5.00	660,518	0
- Plant As-Built Drawing Program	5.00	557,889	0
- Plant Expansion and Reliability Improvements	3.00	461,006	0
- Plant Lab Staffing	2.00	187,565	0
- Plant Industrial Safety Program	1.00	153,511	0
- Plant Master Plan Outreach		100,000	0
- Diesel Retrofit Mandate Compliance		90,000	0
- Pretreatment Program Staffing		86,692	0
- Pollution Prevention Program Expansion		75,000	0
- Plant HVAC Management Program	1.00	56,321	0
- Infrastructure Mapping Equipment		50,000	0
- Vehicle Maintenance Staffing		(4,000)	0
Manage Wastewater Subtotal:	22.00	3,267,351	0
Protect Natural and Energy Resources			
<i>Environmental & Utility Services CSA</i>			
- Green Building Policy Implementation	1.00	200,695	8,859
- Energy Efficiency Program	1.00	0	0
Protect Natural and Energy Resources Subtotal:	2.00	200,695	8,859
Total Investment/Budget Proposals Recommended	31.00	4,150,505	(250,420)
2007-2008 Proposed Budget Total	477.50	185,850,318	1,450,547

STORM SEWER OPERATING FUND (446)

STATEMENT OF SOURCE AND USE OF FUNDS

	2005-2006 Actual	2006-2007 Adopted	2006-2007 Modified	2006-2007 Estimate	2007-2008 Proposed
SOURCE OF FUNDS					
Beginning Fund Balance					
Reserve for Encumbrances	610,379	610,379	698,612	698,612	698,612
Unrestricted	4,321,504	3,129,705	5,019,168	5,019,168	2,795,470
Total Beginning Fund Balance	4,931,883	3,740,084	5,717,780	5,717,780	3,494,082
Revenues					
Assessments	15,416,380	15,880,264	15,880,264	15,880,264	17,310,033
Interest	80,550	46,946	46,946	171,533	105,203
Penalties	50,580	500	500	500	500
Total Revenues	15,547,510	15,927,710	15,927,710	16,052,297	17,415,736
Transfers					
General Fund	2,000	0	0	0	0
Total Transfers	2,000	0	0	0	0
TOTAL SOURCE OF FUNDS	20,481,393	19,667,794	21,645,490	21,770,077	20,909,818
USE OF FUNDS					
Expenditures					
City Hall Furniture, Fixtures and Equipment	42,760	0	0	0	0
City Hall Occupancy	11,124	0	0	0	0
Collection Fees	42,844	48,641	48,641	48,641	76,612
DOT Non-Pers/Equip	1,971,668	1,795,138	1,805,138	1,732,932	1,832,880
DOT Personal Services	4,067,338	4,499,496	4,656,640	4,505,356	4,525,740
ESD Non-Pers/Equip	1,332,117	3,081,347	3,173,116	2,956,151	3,050,013
ESD Personal Services	2,877,886	3,259,573	3,327,994	2,940,037	3,663,319
Finance Personal Services	0	30,936	30,936	30,936	31,851
IBS Commercial Paper Repayment	0	200,696	200,696	200,696	204,732
IT Non-Pers/Equip	0	130,931	145,931	145,931	137,056
IT Personal Services	164,634	160,633	161,554	161,554	348,785
Overhead	1,288,350	1,694,474	2,403,641	2,403,641	1,600,809
PBCE Personal Services	185,971	220,963	220,963	220,963	229,807
PW Personal Services	173,713	187,489	189,217	189,217	192,489
Workers' Comp Claims	41,203	91,237	91,237	91,237	94,886
Total Expenditures	12,199,608	15,401,554	16,455,704	15,627,292	15,988,979
Transfers					
City Hall Debt Service Fund	0	227,497	227,497	227,497	210,435
General Fund (GASB43/45)	0	0	0	0	26,024
General Fund - City Hall O&M	45,860	0	0	0	0
General Fund - Old MLK Rent	34,694	102,042	37,755	37,755	102,042
Loan Repayment - Sewage Treat Conn Fee Fund	458,451	458,451	458,451	458,451	100,000

STORM SEWER OPERATING FUND (446)

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2005-2006</u> <u>Actual</u>	<u>2006-2007</u> <u>Adopted</u>	<u>2006-2007</u> <u>Modified</u>	<u>2006-2007</u> <u>Estimate</u>	<u>2007-2008</u> <u>Proposed</u>
USE OF FUNDS (CONT'D.)					
Transfers					
Storm Sewer Capital Fund	2,025,000	1,925,000	1,925,000	1,925,000	2,850,000
Total Transfers	<u>2,564,005</u>	<u>2,712,990</u>	<u>2,648,703</u>	<u>2,648,703</u>	<u>3,288,501</u>
Ending Fund Balance					
Reserve for Encumbrances	698,612	610,379	698,612	698,612	698,612
Unrestricted	5,019,168	942,871	1,842,471	2,795,470	933,726
Total Ending Fund Balance	<u>5,717,780</u>	<u>1,553,250</u>	<u>2,541,083</u>	<u>3,494,082</u>	<u>1,632,338</u>
TOTAL USE OF FUNDS	<u><u>20,481,393</u></u>	<u><u>19,667,794</u></u>	<u><u>21,645,490</u></u>	<u><u>21,770,077</u></u>	<u><u>20,909,818</u></u>

**SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND
(513)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2005-2006 Actual</u>	<u>2006-2007 Adopted</u>	<u>2006-2007 Modified</u>	<u>2006-2007 Estimate</u>	<u>2007-2008 Proposed</u>
SOURCE OF FUNDS					
Beginning Fund Balance					
Res-Workers' Comp Claim	3,813,230	2,352,000	992,283	2,352,000	2,352,000
Reserve for Encumbrances	9,997,419	9,997,419	9,031,586	9,031,586	9,031,586
Unrestricted	9,834,803	9,901,385	9,901,385	8,541,668	3,513,476
Total Beginning Fund Balance	<u>23,645,452</u>	<u>22,250,804</u>	<u>19,925,254</u>	<u>19,925,254</u>	<u>14,897,062</u>
Revenues					
Contributions - Other Agencies	11,561,190	11,912,663	11,912,663	11,912,663	13,051,276
Contributions - Santa Clara	5,700,672	7,147,599	7,147,599	5,800,672	6,460,382
Interest	523,479	389,389	389,389	597,758	418,870
Miscellaneous	888,276	340,196	340,196	340,196	340,000
Recycled Water	1,876,407	2,303,790	2,303,790	1,876,407	2,017,138
SCVWD Cost-Sharing Reimb	151,320	25,000	25,000	25,000	25,000
South Bay Dischargers Authority	60,270	65,000	65,000	65,000	65,000
Total Revenues	<u>20,761,614</u>	<u>22,183,637</u>	<u>22,183,637</u>	<u>20,617,696</u>	<u>22,377,666</u>
Transfers					
Sewer Svc & Use Charge Fnd	36,504,000	39,500,000	39,500,000	39,500,000	50,000,000
Total Transfers	<u>36,504,000</u>	<u>39,500,000</u>	<u>39,500,000</u>	<u>39,500,000</u>	<u>50,000,000</u>
TOTAL SOURCE OF FUNDS	<u>80,911,066</u>	<u>83,934,441</u>	<u>81,608,891</u>	<u>80,042,950</u>	<u>87,274,728</u>
USE OF FUNDS					
Expenditures					
City Attny Personal Services	106,662	98,928	103,349	103,349	100,132
City Hall Furniture, Fixtures and Equipment	185,096	0	0	0	0
City Hall Occupancy	48,172	0	0	0	0
City Mgr Non-Pers/Equip	21,773	18,375	18,375	18,375	18,375
City Mgr Personal Services	31,769	72,087	72,853	72,853	75,855
ESD Non-Pers/Equip	28,201,078	30,168,232	30,303,275	30,303,275	32,349,452
ESD Personal Services	30,346,063	34,439,709	35,154,825	32,046,063	38,098,325
Finance Non-Pers/Equip	0	5,118	5,118	5,118	5,118
Finance Personal Services	124,625	149,466	149,466	149,466	131,534
Gen Svcs Non-Pers/Equip	26,990	0	0	0	0
Gen Svcs Personal Services	14,358	16,104	16,104	16,104	0
HR Personal Services	0	0	0	0	28,191
IT Non-Pers/Equip	8,461	0	0	0	3,750
IT Personal Services	162,513	169,641	170,565	170,565	191,822
Inventory	259,904	400,000	400,000	400,000	400,000
Overhead	107,688	113,072	117,326	117,326	119,691
PW Personal Services	48,515	55,474	55,474	55,474	57,128

**SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND
(513)**

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2005-2006 Actual</u>	<u>2006-2007 Adopted</u>	<u>2006-2007 Modified</u>	<u>2006-2007 Estimate</u>	<u>2007-2008 Proposed</u>
USE OF FUNDS (CONT'D.)					
Expenditures					
Plant Landscape Maint	253,550	288,952	299,398	299,398	309,998
Workers' Comp Claims	772,599	650,000	650,000	600,000	650,000
Total Expenditures	<u>60,719,816</u>	<u>66,645,158</u>	<u>67,516,128</u>	<u>64,357,366</u>	<u>72,539,371</u>
Transfers					
City Hall Debt Service Fund	198,648	724,235	724,235	724,235	710,094
General Fund	0	0	64,287	64,287	0
General Fund (GASB43/45)	0	0	0	0	99,998
Storm Sewer Operating Fund	67,348	0	0	0	0
Total Transfers	<u>265,996</u>	<u>724,235</u>	<u>788,522</u>	<u>788,522</u>	<u>810,092</u>
Ending Fund Balance					
Operating Contingency	0	1,700,000	1,700,000	0	0
Res-Workers' Comp Claim	2,352,000	2,352,000	2,352,000	2,352,000	2,352,000
Reserve for Encumbrances	9,031,586	9,997,419	9,031,586	9,031,586	9,031,586
Unrestricted	8,541,668	2,515,629	220,655	3,513,476	2,541,679
Total Ending Fund Balance	<u>19,925,254</u>	<u>16,565,048</u>	<u>13,304,241</u>	<u>14,897,062</u>	<u>13,925,265</u>
TOTAL USE OF FUNDS	<u><u>80,911,066</u></u>	<u><u>83,934,441</u></u>	<u><u>81,608,891</u></u>	<u><u>80,042,950</u></u>	<u><u>87,274,728</u></u>



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Paul Krutko

**SUBJECT: DEPUTY DIRECTOR POSITION
ADDITION: OFFICE OF CULTURAL
AFFAIRS**

DATE: May 22, 2007

Approved	/s/	Date	05/25/07
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RECOMMENDATION

1. Approval to add a 1.0 Deputy Director unclassified position, for the Office of Economic Development (OED) Cultural Affairs, to be funded by the Transient Occupancy Tax Fund in the Cultural Grants appropriation in the amount of \$152,000; and
2. Approval of the Arts Commission recommendation that (i) the funding of said position by Transient Occupancy Tax revenue be reviewed annually during the annual budget process so as to return the position to the General Fund as soon as possible; and (ii) the arts community and the Arts Commission be actively engaged in recruitment and selection to ensure the hiring of a person possessing the qualifications appropriate for the role envisioned.

BACKGROUND

Cultural Leadership Proposal

This memorandum proposes to reinstate the leadership position of the Office of Cultural Affairs (OCA) that was eliminated as part of the 2005-2006 Adopted Operating Budget. While OED leaders agreed to provide interim leadership to OCA, a city of San Jose's size and ambition requires a full-time, experienced cultural leader to work with the staff, the Arts Commission and the cultural community. Since the General Fund shortfall is anticipated to continue for a number of years, staff sought the input of the Arts Commission and the arts community regarding funding the Deputy Director of OED for Cultural Affairs with Transient Occupancy Tax (TOT) revenues.

At its public meeting on May 9, 2007, the Arts Commission unanimously approved funding the position with TOT, provided that the funding of said position by Transient Occupancy Tax revenue be reviewed annually during the annual budget process so as to return the position to the General Fund as soon as possible; and the arts community and the Arts Commission be actively engaged in recruitment and selection to ensure the hiring of a person possessing the qualifications appropriate for the role envisioned.

BACKGROUND (CONT'D.)

It is estimated that the first-year cost of the position will be approximately \$152,000, dependent on the step at which a candidate may be hired.

ANALYSIS

Transitional Leadership to Full-time Professional

San José has a significant opportunity to go to the next stage with its cultural development in the next several years, and will also continue to have challenging, complex situations that need to be addressed. This requires a first-rate, experienced, full-time leader of the City's cultural affairs function. This full-time leadership is particularly critical in light of the expanding economic development responsibilities of the Director, Assistant Director, and in light of a Chief Deputy City Manager's retirement in July.

The proposed Deputy Director of OED for Cultural Affairs will be charged with being a fully engaged, vital force in San Jose's effort to evolve as a global center of creativity and innovation. Through a national search, the City would seek a well-respected, well-connected arts professional who has a track record of catalytic leadership. This person would bring new relationships, new resources, and enhanced credibility to San José. This leadership position will be able to focus a full-time effort on engaging with and representing the interests of the arts community, residents, and visitors; and addressing all arts and culture-related issues with City Council and the City Manager.

This position is envisioned as a change agent within the City structure, to integrate arts/culture as an important consideration involving City resource decisions and policy development, and to ensure OCA's contribution to discussions that involve arts or cultural facilities, neighborhood arts development, special events and other arts/cultural matters. The Deputy Director will support and encourage the Arts Commission as an active and effective advocate for San Jose's role as a regional center for arts and culture. This position will also be expected to develop a multi-layered, creative approach to build beneficial partnerships between the City, other public agencies, funders and private industry for the sponsorship of cultural activities.

In addition to establishing a strong identity for OCA and being a significant presence and catalyst in the arts community, the Deputy Director could assume responsibility for managing the relationships with large cultural institutions that operate city-owned facilities. This is an area that has been managed by the Chief Deputy City Manager, and has been a point of emphasis recently as several institutions experienced financial difficulties.

ANALYSIS (CONT'D.)

Selection Process

The arts community has requested to participate in the recruitment process for this critical position. Staff will work with interested arts leaders to define the desired characteristics and skill sets of the Cultural Affairs leader, in coordination with the Human Resources Department. As has been the practice of OCA for its management positions, arts leaders will be included on the interview panel to ensure that the constituency has provided input into the selection process.

Funding Source

The Budget Office's initial projection of 2007-2008 TOT revenue (\$3,399,386) formed the basis for the Arts Commission's allocation of funds to the various grant programs, reserves and other costs supported by TOT. The Commission's allocation is always made in March, as the competitive grant cycle takes place in early spring of each year for the following fiscal year. Subsequently, the City Manager's Budget Office revised its 2007-2008 TOT revenue projection upward by \$449,350. The amount proposed to fund the Deputy Director position (\$152,000) is a portion of the additional projected revenue, and does not impact the recommended 2007-2008 grant awards.

Municipal Code Sec. 4.72.060 allocates 4% of San Jose's 10% Transient Occupancy Tax. In describing allowable uses for that portion of TOT that supports the arts (known as Appropriation 0096), the Code specifies two uses:

- 1) ..*"cultural grants"* and
- 2) ..*"funding the expenses of the fine arts division of the convention and cultural department [i.e., Office of Cultural Affairs], including but not limited to personal, nonpersonal, and equipment expenses, fringe benefits, and overhead."*

Historically, the bulk of the Cultural Grants appropriation has been distributed in direct grants to arts/cultural/festival organizations. However, it has also supported a range of arts programming and the development of cultural plans. This proposal would allocate 3.9% of projected 2007-2008 TOT revenue to fund the Deputy Director position.

CONCLUSION

Establishment of the Deputy Director of OED for Cultural Affairs position and selection of a highly skilled candidate, will ensure that the City, the Arts Commission, San Jose's arts community and residents have the kind of full-time, experienced leadership required to meet the high and rising expectations of San Jose's cultural community. While the arts community is sensitive to the use of TOT funds for this position, there are sufficient projected revenues to fund this position in the 2007-2008 Proposed Operating Budget. As part of the annual budget process, this position would be reviewed for General Fund funding as appropriate.

HONORABLE MAYOR AND CITY COUNCIL

May 22, 2007

Subject: Deputy Director Position Addition: Office of Cultural Affairs

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COORDINATION

This MBA has been coordinated with the City Manager's Office, the Arts Commission, and the City Manager's Budget Office.

/s/

PAUL KRUTKO
Chief Development Officer
City Manager's Office



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: PARKS MAINTENANCE

DATE: May 18, 2007

Approved

/s/

Date 05/25/07

BACKGROUND

The purpose of this memorandum is to provide an update on the status of the development of parks maintenance partnership strategies as directed in the 2007-2008 mayor's March Budget Message.

ANALYSIS

The Administration has agendized on the June 5, 2007 Council meeting, a staff report and work plan on public-private partnership(s) that seeks the Council's approval to implement. The work plan will focus the discussion of this issue and facilitate decision-making on competing policies and identified obstacles. To assist this effort, a committee has been formed to identify issues for a policy discussion regarding partnerships with private corporations, non-profits, and individual donors willing to provide supplementary resources for parks maintenance and other opportunities. Other issues to be reviewed include procurement policy application, wage and insurance requirements, as well as collective bargaining issues. Many of these issues are inter-dependent and may have implications to business models in place elsewhere in the City.

Staff will report its progress on completing work plan milestones on a monthly basis to the Public Safety, Finance and Strategic Support Committee through December 2007, with presentation of policy recommendations to the City Council by January 2008.

/s/

Albert Balagso

Director, Parks, Recreation & Neighborhood Services



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: NASCOP WARNING PROGRAM

DATE: 05-22-07

Approved

/s/

Date

05/25/07

BACKGROUND

On March 6, 2007, the City Council directed staff to discontinue the use of the Neighborhood Automated Speed Compliance Program (NASCOP) as an enforcement program; and to report back to the City Council as part of the 2007-2008 budget process on modifying NASCOP to a warning program.

The 2007-2008 Proposed Operating Budget includes a budget savings proposal to eliminate NASCOP due to the current economic environment facing the General Fund.

ANALYSIS

The NASCOP program has been an integral part of the City's Traffic Calming Program for almost 10 years. It has been effective in reducing the level of speeding in many residential neighborhoods and school areas, especially vehicles speeding excessively over the posted speed limit. Due to legal concerns about the use of automated enforcement camera systems for the purpose of speed enforcement on California roadways, the use of NASCOP as an enforcement tool has been discontinued. The City is pursuing legal and legislative options to reinstate the program.

The NASCOP Enforcement (E) program consisted of three vans staffed by 5 positions (Traffic Checkers and Engineering Technicians) and supported by a contract with Redflex Traffic Systems, Inc. (Redflex) to provide noticing services, a customer service call center, software support and maintenance of the photo-radar equipment. It served 177 neighborhoods at its peak in 2007, at a yearly cost of approximately \$430,000. NASCOP (E) also served as an educational tool at schools, as over 50 of these neighborhoods included school zones. NASCOP (E) generated approximately, \$80,000 in citation revenue for a net cost of \$350,000 per year.

Warning Program Alternative

A NASCOP Warning (W) program could be implemented with two vans and 3 positions (Traffic Checkers). With a warning program, only one notice would be mailed to the registered owner of

ANALYSIS (CONT'D.)

the vehicle captured speeding. A photograph of the license plate would be embedded in the notice. Although Redflex services would still be required to provide software support and equipment maintenance, the Department of Transportation (DOT) could provide the services associated with the customer service call center and noticing with program staff.

A NASCOP (W) program would cost the City approximately \$270,000 per year to operate. Such a program is unfunded at this time. If funded in 2007-2008 or later years, the vans would be primarily assigned to school zones and be used as part of a more comprehensive engineering, education and enforcement program. During non-school hours the vans would be used in residential zones known to have a history of speeding occurrences. The vans would also support the efforts of the Police Department in conjunction with annual safety campaigns.

Although it is anticipated that if only warnings are issued, NASCOP would have a lessened impact on reducing speeds, there are potential options to increase the effectiveness of a warning program including:

- Lowering the existing threshold at which notices are sent to registered owners observed speeding, especially in the vicinity of school zones. This would make the program more noticeable and serve as a greater educational tool.
- Equipping the vans with a radar speed feedback sign on the rear of the vehicle to provide immediate notice to motorists of their speed, which will also serve as a real-time deterrent to speeding.
- Including informational material with the notice on the negative impacts of speeding, especially in school zones and residential neighborhoods.

2007-2008 Proposed Operating Budget

The 2007-2008 Proposed Operating Budget includes revenue enhancements and service reductions to offset the General Fund shortfall. In order to meet reduction targets, DOT considered many services and programs, and proposed reductions with the least regulatory, legal, and community service impacts.

With the elimination of NASCOP (E), there may be an increased level of speeding on some of the streets that are currently served by the program. Although a warning program could help to minimize these impacts, it would require \$270,000 annually in General Funds. At this time DOT is not proposing further budget reductions to accommodate the formation of a NASCOP (W) program, but if the General Fund revenue picture improves, this information is being provided so that Council will know the approximate cost to institute a NASCOP (W) program. DOT will continue to examine our organization and staffing levels and determine if there are any meaningful ways to start-up a NASCOP (W) with existing resources, and if so we would coordinate with the Attorney's

Office and bring a recommendation to Transportation and Environment Committee before commencement.

If the City Council approves the elimination of the NASCOP (E) program, there will be ongoing General Fund savings of approximately \$430,000. These savings were used by DOT to meet next year's budget goal. The savings results from elimination of the following:

- Personnel Costs. The vans are staffed by 3 full-time positions and 2 part-time positions, of which one of the part-time positions is currently vacant. Efforts will be made to re-deploy staff to other positions in the City. (\$303,000)
- Vendor services. The contract with Redflex was executed in November 2004, with four one-year options to extend. The existing contract expires November 30, 2007 and includes provisions for the City to cancel the contract, without cause, upon 30 days written notice. It is recommended that the contract term remain in effect through November 2009 to enable the City to readily reinstate the NASCOP program should efforts to obtain legislation supporting the use of photo radar for speed enforcement purposes be successful. Redflex would not be paid under the terms of the contract, unless the NASCOP program is reinstated in either a warning or an enforcement program. (\$99,000)
- Other Non-Personal/Equipment costs. In addition to the vendor services, there are miscellaneous costs associated with supplies and materials and vehicle operation. (\$28,000)

The three vans and associated photo-radar equipment are proposed to be retained in DOT while legislation is being explored. At least one of the vans would be equipped with a wireless computer workstation enabling its use as a mobile office by engineering and technician staff. While conducting field investigations, staff would be able to remotely access various traffic data from the central databases at City Hall, and/or send digital pictures, counts, and drawings back to supervisory staff in the office to maximize their efficiencies in the field. Funds to upgrade and operate the van(s) would be absorbed within DOT's allocated budget.

COORDINATION

This memorandum has been coordinated with the Police Department and the City Manager's Budget Office.

/s/
JAMES R. HELMER
Director of Transportation



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Robert L. Davis
Dan McFadden

SUBJECT: ENTERTAINMENT ZONE
COST RECOVERY

DATE: May 24, 2007

Approved

/s/

Date

05/29/07

The memorandum is prepared in response to the Mayor's March Budget Message that directed the Police Department to report to the City Council on how overtime costs for enforcement in the Entertainment Zone could be assessed to downtown nightclubs. This memorandum is also prepared in response to the Mayor's 2007 Transition Committee Recommendation #6, which pertains to the costs related to Entertainment Zone policing. Recommendation #6 addresses, in part, recovering policing costs from private businesses in the Entertainment Zone (EZ).

BACKGROUND

In June 1997, the San José City Council approved the first Entertainment Zone Policing Plan (EZPP). The EZPP was developed to eliminate secondary employment of Police Officers at nightclubs in the downtown area. This plan sought in part to recover the costs of policing the EZ through fees paid by nightclubs, based on the nightclub operation and regulations that existed on their Entertainment Permit, Conditional Use Permit, occupancy, and an inspection by the Department. The benchmark fee was designed to match the fees paid to officers already working secondary employment for the nightclubs.

Though approved by the City Council, the EZPP was not fully implemented; the nightclubs were never required to pay the full costs associated with policing the EZ. As a result, the Police Department has incurred major overtime expenditures amounting to an annual cost of approximately \$1.2 million to maintain public safety in the EZ. As the vibrancy of this area increases, business owners, the City of San José, and the San Jose Redevelopment Agency are expending numerous resources to foster the growth and economic development of the area.

Current budget constraints demand a new plan be created which shares the costs of maintaining public safety between private businesses in the EZ and the City of San José. This plan will create an equitable sharing of costs, enabling the Police Department to recover a gap currently estimated at \$400,000-\$600,000 for EZ overtime expenditures, which could change as staffing adjustments occur with the extended hours procedure to support the 90-day soft closing Pilot Program.

ANALYSIS

Policing the EZ is a very complex issue. Current City data shows total EZ establishment occupancy to exceed 10,000 patrons. To ensure public safety, a pool of approximately thirty to fifty officers are necessary to monitor the area Thursday through Sunday nights. Thursday evening averages 21 officers and five sergeants, Friday and Saturday evening averages 44 officers and six sergeants, and

Sunday evening averages five officers and one sergeant, depending upon the season and scheduled events. Officers, after working their regular ten-hour shift, will work two hours of Entertainment Zone overtime to focus police resources at nightclubs' closing times. Officers make arrests as necessary, issue citations and enforce curfew laws. To transition to a 3:00 a.m. closing (currently under consideration) would require an increase in overtime hours for EZ officers and will further extend their shift.

Public safety in the EZ is maintained by three primary means:

- Visible presence deterring violent behavior
- Immediate response to incidents via the tactical distribution of EZ officers
- Facilitation of mass public egress from the downtown area in the hours after nightclub closings

EZ Officers also assist in maintaining a vibrant and pleasant visitor experience by:

- Assisting the public by being an information resource
- Assisting in the enforcement of ABC laws to reduce incidents of public intoxication, and the serving of alcohol to minors and obviously intoxicated persons
- Providing a safe and easily accessible parental reunification area for curfew violators
- Provide a readily available resource to business owners and managers

The distribution of officers is based upon:

- Nature of individual establishments, e.g.:
 - nightclubs with dancing / live entertainment (businesses possessing an Entertainment Permit)
 - Type of ABC Licensee (Type 41, 47, or 48)
 - Bars serving alcohol which do not require an Entertainment Permit
 - Late night food-serving establishments (open until 3:00 a.m., which are post-closing gathering points and quite often areas of violence)
- Occupancy of the establishment
- Physical size, to include square footage and interior layout
- Environmental design issues (sidewalk café permits, proximity to other establishments, etc.)
- Proximity to post-closing congregational areas (parking lots, late night food-serving establishments)
- Current patterns of violence
- Historical patterns of disorderly conduct, aberrant behavior and criminal activity
- Calls for police and EMS services
- Point of origin for arrestees and/or violence (often issues originate inside an establishment, and are exacerbated when management or staff do not address the issues. These problems are only visible when the subjects involved exit the club)
- Violations of Entertainment and Conditional Use permits by establishment owners, management, or staff

In turn, much of the aforementioned information can be relied upon to provide a matrix for a Cost Recovery Program. Additional criteria may also be calculated into the process. Below are four general categories of the types of businesses in the downtown area, which illustrate the variables that must be considered in any Cost Recovery Program. In the examples, *nightclub* defines an establishment which possesses an Entertainment Permit and serves alcohol past 10 pm.

A: Small Bar or Restaurant:

- Typical Occupancy less than 100
- No Entertainment Permit
- No fixed Police deployment
- Rarely violates ABC laws or requires Police services
- Patron egress at closing poses minor impact to the EZ

Approximately 20% of the current EZ establishments fall into this category.

B: Large Bar or Restaurant or smaller Nightclub:

- Typical Occupancy 100-300
- May or may not possess an Entertainment Permit
- Police deployment varies, may be fixed at times due to current trends in establishment or patron conduct
- Occasionally violates ABC regulations, Entertainment or Conditional Use Permit requirements, or criminal statutes
- Patron egress at closing poses a moderate impact to the EZ

Approximately 45% of the current EZ establishments fall into this category.

C: Nightclub or a large Restaurant which operates as a Nightclub after 10 pm:

- Typical Occupancy exceeds 300 patrons
- Possesses an Entertainment Permit
- High likelihood of, or regular, Police deployment
- Consistently generates complaints or demands Police action, experiences violations of ABC regulations, or is a source from which disorderly conduct emanates affecting the EZ
- Patron egress at closing poses a major impact to the EZ

Approximately 35% of the current EZ establishments fall into this category.

D: Late Night Eating Establishments:

- Serve food past 1 am
- Offer points of congregation for nightclub and bar patrons, exacerbated by:
 - Environmental design issues (proximity to nightclubs/bars, proximity to parking lots, physical size of private parking lots, unsecured private or public parking lots, poor lighting, etc.)
 - Lack of, or insufficient, private security

- Consistently demands Police presence after club closings due to disorderly conduct, criminal acts, and traffic-related issues stemming from EZ patrons

Approximately 5-10 establishments of this type operate at any given time.

CONCLUSION

The cost to police the Entertainment Zone has continually grown over the last decade along with its surge in popularity. The successful future of the core downtown area is of vital importance to the City of San José and business owners who choose to operate at the core of the Capital of Silicon Valley. At the same time, it is clear private businesses must share in the cost of maintaining public safety for the same patrons from which they profit.

In order to develop and implement an Entertainment Zone Cost Recovery Plan, a working group, to include the City Attorney's Office, City Manager's Budget Office, and Finance Department, will be established this summer to fully assess and implement an Entertainment Zone Cost Recovery Plan. The plan should encompass the variables used to deploy Police Officers in the downtown area and cover all categories discussed above. The plan should allow for modification in the fee on a regular and predetermined schedule based upon changes in the demand for City services. The allocation of a fee should be based on achieving cost recovery for City services provided in the downtown area. The fee assessment can be based on the level of occupancy of each establishment, since the customers drive the demand for City services. Larger facilities would bear a higher cost than a smaller establishment. The collection of the fee could occur upon an annual renewal of their permits and licenses to ensure pre-payment for the anticipated need, rather than after the fact.

The working group should assess the option to create a fee matrix to ensure all businesses in the EZ pay their equitable share for City services directly related to their customers. The matrix would account for the variables discussed above as well as any additional variables or direct costs determined during further analysis and matrix development. Businesses which operate at a standard that reduces the need for City services would be rewarded with lower costs, while those that consistently draw on more City resources would bear a greater burden.

Consistent with City practice, the working group should include community outreach as part of the EZ Cost Recovery Plan and include representative of the four types of establishments as outlined above.

/s/
ROBERT L. DAVIS
Chief of Police

/s/
DAN MCFADDEN
Interim Deputy City Manager

DEPARTMENTAL FEES AND CHARGES

CITY CLERK

Service	2006-2007 Adopted Fee	2006-2007 % Cost Recovery	2007-2008 Proposed Fee	2007-2008 Estimated Cost	2007-2008 Estimated Revenue		2007-2008 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
CITY CLERK FEES - CATEGORY I								
1. Duplicating Services								
1 Audio Recording	\$6 each		No Change					
2 Materials (if needed)	\$1.50		No Change					
3 Video Recording	New		\$15 each					
Sub-total Duplicating Services		100.0%						
2. Lobbyist Registration								
1 Client Fee	\$60 per client		No Change					
2 Delinquent Registration Fee	5% of unpaid fee per day		No Change					
3 Lobbyist Registration	\$350 per registrant		No Change					
4 Prorated Registration Fee	\$175 per 1/2 year or less		No Change					
5 Quarterly Report Delinquent Fee	\$10 per day (Council approved change to \$50 per day on 2/6/07)		\$50 per day					
Sub-total Lobbyist Registration		100.0%		28,000	28,000	28,000	100.0%	100.0%
3. Sale of Publications and Document Copying								
1 Agenda Subscriptions - City Council	\$55 per year		No Change					
2 Agenda Subscriptions - Planning Commission	\$20 per year		No Change					
3 Agenda Subscriptions - Planning Director Hearing	\$22 per year		No Change					
4 Agenda Subscriptions - Redevelopment Agency	\$14 per year		No Change					



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Albert Balagso

SUBJECT: **MBA: RECREATION
E-COMMERCE SYSTEM**

DATE: May 23, 2007

Approved

/s/

Date

05/30/07

INFORMATION

SUMMARY

The Recreation and E-Commerce System (RECS) project represents an important opportunity to create far-reaching benefits to customers and to improve the efficiency of limited staff in PRNS. Customers expect, and RECS would provide, 24/7 service opportunities and access to information. The on-line access would make San Jose comparable to most of our neighboring Bay Area cities. In addition, it is critical for a large, diverse operation such as the City's community centers to have better data and information from which we can develop marketing strategies, monitor/improve performance and make data-driven decisions.

PRNS recognizes the value and importance of the Council's request for return-on-investment information such as potential efficiencies, revenue increases and user benefits. The RFP process is still in effect and Active Network was identified as the most qualified vendor. Active has agreed to honor the pricing in the RFP until December 2007 to prevent having to re-issue the RFP again. PRNS will take additional time to gather and present comparative information from other cities and the hard/soft benefits of this particular technology investment, including revenue projections. PRNS will bring forward a comprehensive business plan for the RECS project for City Council approval later this calendar year. Should the City Council approve the RECS project business plan, related appropriation actions will be brought forward for Council approval accordingly.

BACKGROUND

On November 26, 2002, the San José City Council approved the e-Government initiative. Direction was given to the Administration to implement a system for class registration, including payments on-line for classes offered by the Department of Parks, Recreation, and Neighborhood Services (PRNS). The class registration and payments on-line initiative has been named RECS.

A Request for Information (RFI) was issued in April 2005. Three vendors responded and two of the solutions presented (Vermont Systems and Active Network) were deemed viable options for

the City. Next, a Request for Proposal (RFP) process was conducted in 2006 in coordination with Finance-Purchasing and IT. An evaluation team (comprised of PRNS, Finance and IT staff) interviewed and determined that Active Network was the most qualified vendor.

In January 2007, in the midst of preparing the contract for negotiation, the funds earmarked in the Technology Reserve for RECS were redirected to another critical infrastructure improvement project, leaving RECS unfunded. An alternative funding strategy was proposed utilizing the Parks and Community Facilities Development Capital Program. At the capital budget study session of Thursday, May 17, 2007, at which the \$1.6 million request was discussed, the City Council requested additional information on the costs and benefits of implementing the RECS system. Specifically, the City Council asked for return-on-investment information such as potential efficiencies, revenue increases and user benefits.

ANALYSIS

PRNS currently utilizes a paper-based, manual system and, in three instances, outdated site specific systems, to manage and process enrollment for recreational events, programs and classes. The three community centers are currently operating as independent businesses and are not linked. These systems are inefficient, inconvenient to our customers, and time consuming to maintain.

By implementing RECS, PRNS expects to achieve improvements in three primary areas:

1. Efficiencies: Less Time on Transactions; More Time on Programming
2. Revenue Increases: Using Technology to Increase Marketing and Participation
3. User Benefits: More Convenience and Service for Customers

The following sections explain these benefits in more detail.

Efficiencies

As RECS would be used for fee class registrations, sports and facility reservations and Family Camp, PRNS has captured time-motion efficiencies for the primary business process: registrations (see Attachment A). For registrations of all programs affected by RECS, PRNS estimates annual efficiencies of 233,000 minutes (1.87 FTE), or 56%, valued at \$75,725. This is calculated by the average time a staff member takes to process one registration for one class or activity multiplied by the annual number of registrations for that particular activity.

It should be noted that these efficiencies assume the same level of registration volume, and will likely be greater due to projected increases in registration volume. Similar time-motion analyses for other business processes (e.g., refunds, cancellations, modifications, etc.) have not been conducted at this time but with the implementation of RECS, staff will be able to capture and process this data more quickly. Staff time currently focused on administrative duties can be re-directed to enhance programming. Duties include recruiting for instructors to meet new trends;

increased direct contact with customer for surveys and customer feedback; training of staff; and focus on marketing the programs resulting in fewer canceled classes, more variety of class offerings, and ability to better meet the customer's needs.

Revenue Increases

Participation Rate

In other cities that we surveyed with computerized registration systems, the average resident participation rate in City-sponsored recreation programs is 12%. While these cities' registration statistics prior to implementing a computerized system are not readily available, we know that only 2% of San Jose residents currently participate in classes/activities offered by our centers. We also know that over 50% of San Jose's customers are repeat customers. These figures suggest that there is an untapped market for San Jose's recreation programs. At the same time, there is unused capacity, particularly at the newer centers and future centers, to accommodate more classes/activities for people, if PRNS knew which programs and populations to target for niche marketing.

The chart below illustrates a number of cities that currently utilize a system similar to RECS and the corresponding percentage of their population that register for recreational activities on an annual basis. The City's participation rate is low for a city of our size.

City	Population	Registrations per year	Ratio
Morgan Hill, CA	37,091	4,000	11%
Oakland, CA	411,755	50,000	12%
Orlando, FL	213,223	25,000	12%
Prince George County, MD	846,123	125,483	15%
Toronto, Canada	2,480,000	300,000	12%
San Jose, CA	974,000	20,000	2%

RECS is an important tool in helping to increase the participation rate by providing a means of analyzing registration statistics for the purpose of providing programming that meets the demands of customers and to attract customers who want the convenience of registering online and the ability to easily search for available classes in multiple centers.

Maximizing New Facilities

By 2010, community center square footage will increase by over 80% from 2002-2003 levels due to the Measure P bond program with anticipated projects at Mayfair, Bascom, Solari, and Roosevelt Community Centers, along with the already delivered Gardner Community Center, Almaden Community Center, Camden Community Center remodel, Alum Rock and Berryessa Youth Centers and the West San Jose Community Center. The increased square footage provides

an ample opportunity to increase programming by as much as 40-50% thereby driving increased revenues. Further analysis would allow for more precise future capacity and revenue projections. An automated system will increase the ability to maximize the facility usage and to maximize the efficiency of coordinating multiple and simultaneous uses.

	2005-06	2006-07 (Jul-May)	Increase
Almaden Comm. Center			
Revenue	\$241,404	\$580,852	\$339,448
Sq. footage	7,000	40,000	33,000
Camden Comm. Center			
Revenue	\$330,604	\$461,060	\$130,456
Sq. footage	28,293	58,678	30,385

This chart illustrates the performance of Almaden Community Center. Almaden Community Center was significantly expanded through the bond program to 40,000 sq. feet from 7,000 sq. feet. Staff began programming the additional space for the last half of 2006 and so far the center's performance for FY 2006-07 shows a revenue increase of 140% over FY 2005-06. Camden Community Center is another example of a bond project that was renovated from 28,293 to 58,678 sq. feet. Camden Community Center's revenue in FY 2005-06 totaled \$330,604 and \$461,060 for FY 06-07. The 39% revenue increase illustrates the first year growth with the additional space. As noted earlier, the role of RECS would be to ensure the efficient coordination of larger facilities and increased programming.

Revenue Projections

The automated computerized system will have a positive impact on the many variables involved in efforts to increase revenues. These variables include the following:

- Ability to market to a wider audience
- Ability to increase the participation rate from the current 2% level towards the 12% average of other cities
- Ability to decrease underutilized capacity
- Ability to increase participation by reducing the percentage of canceled classes (49%)

If, for example, the participation rate doubled to 4%, the potential revenue could reach \$8 million given sufficient capacity and adequate staffing resources. Likewise, if revenue generation increases by 10% in just the first year after RECS is implemented, approximately \$428,200 in additional revenue (of the \$4.2 million currently collected) would be realized. This estimate is dependent on targeting the correct niche market, increasing the number of participants in the classes and making programs more accessible to the customers. Also, these revenue estimates would be offset by associated expenses such as instructor salaries and other indirect program costs. Revenue projections will be further studied in the business plan development.

Market/Trend Analyses

An automated system would generate valuable data from which PRNS could better conduct market/trend analyses and maximize potential revenues.

- Market analysis will allow for more efficient, data-based programming that best meets the markets needs and better predicts market demand. For example, 49% of courses offered in the 2006 City Activity Guide were canceled due to inadequate enrollment. Much of that waste could be avoided with better data and information to better align class offerings with customer needs. Time saved from efficiencies would also allow staff the time to develop and market new class offerings.
- By utilizing the system for trend analysis would allow greater anticipation of facility and staffing needs. Anecdotally, there are significant blocks of vacant time in each community center's revenue-generating space. An integrated system would allow for better coordination and marketing of the vacant space and time.
- The system would be a more efficient marketing tool by giving staff access to a centralized database of customer email addresses (as allowed by customers) so updates and announcements can be efficiently delivered. The system could also be utilized to track and generate reports on demographic information for better target marketing.
- Phone and walk-in registrations will still be available for customers who do not have easy access to internet registration.
- Accountability is increased as every dollar taken in is tracked and documented by the automated system.

User Benefits

With RECS, San Jose residents would enjoy the benefits of automation as do the residents of most other Bay Area cities (Attachment B):

- Convenient on-line access in addition to walk-in, mail-in and fax registration: 82% of Phoenix, AZ, residents registered on-line, up from 65% the previous year. In the first year of their online registration system going live, 3,757 walk-up customers were processed for their aquatics program, compared to 6,613 customers who registered online. In their second year of online registration, 1,844 customers were walk-up with 7,776 who registered online. This is for one program alone in their entire repertoire of recreation offerings.
- Immediate confirmation of activity: Customers will be notified immediately if the class is confirmed. If the class is full, residents will know immediately and will have the immediate option of choosing another activity or another location. Currently, customers pay for registrations immediately, but if a class is full or canceled, a lengthy refund process is required.
- Reduced customer travel time and lines: Customers for the sports fields currently wait an average of 6 hours in line and in some instances camping out to reserve a field.
- Increased accountability: PRNS will maintain and generate fiscal and program data on which accountability and decision-making can be based.

HONORABLE MAYOR AND CITY COUNCIL

5-23-07

Subject: MBA: Recreation E-Commerce System

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- Ease of utilizing credit cards: Customers could minimize the risk of carrying cash. Additionally, a system would allow customers the option of maintaining membership cards and, as appropriate, credits.
- For residents without Internet access, the in-person service at community centers would continue. The system would allow for more self-serve options for immediate processing of registrations, refunds and payments.

COORDINATION

This memorandum has been coordinated with Randy Murphy, Interim Chief Information Officer of the Information Technology Department.

/s/

ALBERT BALAGSO, Director
Parks, Recreation and Neighborhood Services

For questions, please contact Jay Castellano, Acting Deputy Director, at 408-535-3571

ATTACHMENT A
EFFICIENCY BENEFITS

Transaction Comparison

<i>Program</i>	<i>Current Mins.</i>	<i>Projected Mins. w/RECS</i>	<i>Savings in Minutes</i>
Fee Class Transactions	15	5	10
Family Camp	45	20	25
Picnic Reservations	30	15	15
Facility Use Reservation	90	60	30
Event Permits	90	60	30
Permits	20	10	10

Annual Labor Comparison For Transaction Processing

<i>Program</i>	<i>Current Annual Transactions</i>	<i>Current Mins.</i>	<i>Current Total Hours./Year</i>	<i>Estimated Mins. w/RECS</i>	<i>Estimated Hours./Year w/RECS</i>	<i>Savings in Hours</i>	<i>Annual Savings @\$19.50/hour</i>
Fee Class Transactions	15,000	15	3,750 hrs.	5	1,250.	2,500	\$48,750.00
Family Camp	800	45	600 hrs.	20	267	333	\$6,500.00
Picnic Reservations	1,500	30	750 hrs.	15	375	375	\$7,312.50
Facility Use Reservation	500	90	750 hrs.	60	500	250	\$4,875.00
Event Permits	350	90	525 hrs.	60	350	175	\$3,412.50
Permits	1,500	20	500 hrs.	10	250	250	\$4,875.00
GRAND TOTALS:	19,650		6,875 hrs.		2,992 hrs.	3,883 hrs.	\$75,725

**ATTACHMENT B
OTHER CITIES SURVEY RESULTS**

City	Pop.	Year system was implemented	Reg. System	On-line Reg. System	Vendor	How is system set up?
SANTA CLARA COUNTY CITIES						
Campbell	38,138	1995	X	X	Active Network	Client server
Cupertino	50,546	1999	X	X	Active Network	Client server
Los Gatos	28,989	n/a	X	X	Active Network	Client server
Milpitas	65,276	1993	X		Active Network	Client server
Morgan Hill	37,091	2004	X	X	Active Network	Active hosts web site, and synchronizes with RecWare server.
Santa Clara	110,771	1998	X	X	Active Network	Client server Moving to hosted internet
Saratoga	30,835	2000	X	X	Vermont	Client server
Sunnyvale	133,544	2006	X	X	Vermont	Client server
OTHER CITIES						
Dallas, TX	1.3M	1999	X	X	Active Network	Client server
Fremont	210,158	1997	X	X	Active Network	Client server
Oakland	411,755	2001	X	X	Active Network	Client-Server
San Francisco	798,680	2006	X	X	Active Network	Client-Server



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean

**SUBJECT: MUNICIPAL WATER SYSTEM
RATE COMPARISON**

DATE: May 29, 2007

Approved	/s/	Date	05/30/07
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BACKGROUND

On May 14, 2007, during the Operating Budget Study Session, Vice Mayor Cortese requested that staff provide a comparison of proposed 2007-2008 San Jose Municipal Water System (SJMWS) water rates and structure with those rates and structures proposed by San Jose Water Company (SJWC) and Great Oaks Water Company (GOWC).

ANALYSIS

The San Jose Municipal Water System (SJMWS) is a self-sustaining rate-funded utility providing water service to 26,000 accounts with an approximate population of 109,000 in the North San Jose, Alviso, Evergreen, Edenvale, and Coyote Valley areas.

SJMWS's two principal sources of revenue are water sales and fixed monthly meter service charges. Rates are established to pay for both operating costs and capital improvements. Except for the cost of wholesale water and energy which represents approximately 57% of the budget, all other operating costs are considered fixed.

Under California Public Utilities Commission (CPUC) guidelines, water companies can recover 50 percent of their fixed costs in quantity charges and 50 percent in monthly meter charges. Fixed costs are to include:

- Maintenance expenses;
- Transmission and distribution expense;
- Customer account expense, excluding uncollectibles;
- Administrative and general expense;
- Depreciation expense;
- Tax expense (i.e., in-lieu fees);
- Return on investment.

The costs of wholesale water and energy are pass along directly to customers through water sales in quantity charges.

ANALYSIS (CONT'D.)

Rate Structure

SJMWS's rate structure includes two components, a fixed service charge based on the size of the customer's meter (meter charge), and a variable quantity charge based on the amount of water an individual customer used, and the elevation to which the utility must pump the water. Quantity charges are assessed differently for residential and non-residential customers. Residential quantity charges are developed under a four-block inclining rate structure to encourage conservation, while non-residential quantity charges are developed under a uniform (single block) rate structure. Both residential and non-residential quantity charges also increase depending on the zone (elevation range) of the individual service. The zone-based rate blocks are designed to recover the increased cost incurred to pump the water to higher elevations.

Similar to SJMWS, the rate structures for both San Jose Water Company (SJWC) and Great Oaks Water Company (GOWC) include a fixed service charge based on the size of the customer's meter. Attachment A shows a comparison of SJMWS's current meter charges versus GOWC's and SJWC's. As can be seen in Attachment A, SJMWS's meter charges result in the lowest revenue from customers of the three water retailers. GOWC's and SJWC's meter charges would generate revenue 43.2% and 96.2% higher, respectively. Attachment B shows a comparison of SJMWS's proposed meter charges, assuming a 12% increase versus GOWC's and SJWC's assuming no increase. As can be seen in Attachment B, SJMWS's meter charges would still result in the lowest revenue from customers of the three water retailers.

Unlike SJMWS, GOWC's and SJWC's water quantity charges currently are set at a flat rate. It should be noted that on March 19, 2007, SJWC filed an application with the California Public Utilities Commission (CPUC) requesting, among other things, approval for a residential rate design with increasing charges for higher monthly usage (increasing block rates) to encourage conservation. In addition, both SJWC and GOWC assess a CPUC surcharge of 1.4%, and GOWC's billing adds a 2% City franchise fee surcharge.

Rate Comparison

On April 27, 2007, notices were sent out advising SJMWS customers of an impending water rate increase of up to 12% to recover increasing costs. Following is an analysis of the impact of the proposed maximum rate increase, which assumes a wholesale water rate increase of \$85 per acre-foot (1 acre-foot (AF) = 326,000 gallons), should it occur. The final magnitude of the increase will not be known until the respective Boards of the wholesale water providers officially adopt rates, which should occur in mid to late June. Based on recent discussions with the staff of the wholesale agencies, it appears that the necessary increase will be less than originally discussed.

Due to the variable nature of service size and individual water usage, and elevation of the service, average water usage is used for illustration purposes. The average residential water usage in the greater Bay Area is 14 hundred cubic feet (HCF*) per month. In the SJMWS service area the average residential water usage is 15 HCF per month. The following tables utilize the average water usage in SJMWS service area (15 HCF) and further utilize a service

ANALYSIS (CONT'D.)

size of a 5/8" meter. A separate calculation of an average bill is presented for each of the four zones.

Zone 1 (Elevation 0 to 275 feet), (63% of the customers in Zone 1)

	<u>Current</u>	<u>Proposed (12%)</u>
Tier 1: 0 to 7 HCF*	\$1.54	\$1.72
Tier 2: 7 to 14 HCF	\$1.76	\$1.97
Tier 3: 14 to 21 HCF	\$1.96	\$2.20
Tier 4: > 21HCF	\$2.16	\$2.42
Average Monthly Water Bill =	<u>\$31.81</u>	<u>\$35.59</u>

Zone 2 (Elevation 275 to 375 feet), (9% of the customers are in Zone 2)

	<u>Current</u>	<u>Proposed (12%)</u>
Tier 1: 0 to 7 HCF	\$1.62	\$1.81
Tier 2: 7 to 14 HCF	\$1.84	\$2.06
Tier 3: 14 to 21 HCF	\$2.04	\$2.28
Tier 4: > 21HCF	\$2.24	\$2.51
Average Monthly Water Bill =	<u>\$33.01</u>	<u>\$36.93</u>

Zone 3 & 4 (Elevation 375 to 630 feet), (20% of the customers are in Zone 3/4)

	<u>Current</u>	<u>Proposed (12%)</u>
Tier 1: 0 to 7 HCF	\$1.69	\$1.89
Tier 2: 7 to 14 HCF	\$1.91	\$2.14
Tier 3: 14 to 21 HCF	\$2.11	\$2.36
Tier 4: > 21HCF	\$2.31	\$2.59
Average Monthly Water Bill =	<u>\$34.06</u>	<u>\$38.13</u>

Zone 5 & 6 (Elevation 630 to 880 feet), (8% of the customers are in Zone 5/6)

	<u>Current</u>	<u>Proposed (12%)</u>
Tier 1: 0 to 7 HCF	\$1.77	\$1.98
Tier 2: 7 to 14 HCF	\$1.99	\$2.23
Tier 3: 14 to 21 HCF	\$2.19	\$2.45
Tier 4: > 21HCF	\$2.39	\$2.68
Average Monthly Water Bill =	<u>\$35.26</u>	<u>\$39.48</u>

*1 HCF = 748 gallons

ANALYSIS (CONT'D.)

Weighted Average (All Zones) for a SJMWS Residential Customer (5/8" meter, 15 HCF)

Current: $\$31.81 * 0.63 + \$33.01 * 0.09 + \$34.06 * 0.20 + \$35.26 * 0.08 = \underline{\underline{\$32.64}}$
 Proposed: $\$35.59 * 0.63 + \$36.93 * 0.09 + \$38.13 * 0.20 + \$39.48 * 0.08 = \underline{\underline{\$36.53}}$

The magnitude of GOWC and SJWC rate increases are not known at this time due to the uncertainty surrounding the wholesale water rate increase. The following analysis assumes that the same wholesale rate increase (\$85/AF), which was presented by SCVWD staff and contained the SJMWS customer notification is passed through to these system's customers as is typically the case. It is unknown at this time what other cost increases will be included in GOWC and SJWC rate increase requests to the CPUC.

Average GOWC Monthly Bill

	<u>Current</u>	<u>\$85/AF</u>	<u>Estimated</u>
Quantity Charge: 15 HCF * \$1.609 =	\$24.14	\$1.804	\$27.06
Service Charge: 5/8-inch meter	\$7.26		\$7.26
Subtotal	\$31.40		\$34.32
PUC Fee (1.4%)	\$0.44		\$0.48
Franchise Fee (2%)	<u>\$0.63</u>		<u>\$0.69</u>
 GOWC Monthly Bill	 \$32.47		 \$35.49

Average SJWC Monthly Bill

	<u>Current</u>	<u>\$85/AF</u>	<u>Estimated</u>
Quantity Charge: 15 HCF * \$2.1745=	\$32.62	\$2.3695	\$35.54
Service Charge: 5/8-inch meter	\$13.18		\$13.18
Subtotal	\$45.80		\$48.72
PUC Fee (1.4%)	<u>\$0.64</u>		<u>\$0.68</u>
 SJWC Monthly Bill	 \$46.44		 \$49.40

ANALYSIS (CONT'D.)

The following table compares **current** SJMWS monthly water bills to GOWC and SJWC for various customer types:

<u>Average Monthly Water Bill</u>			
<u>Customer Type</u>	<u>SJMWS</u>	<u>GOWC</u>	<u>SJWC</u>
Residential 5/8" Meter 15 HCF	\$32.64	\$32.47	\$46.44
Residential 3/4" Meter 15 HCF	\$32.79	\$36.22	\$46.44
Residential 3/4" meter 30 HCF	\$64.83	\$61.17	\$81.07
Commercial 2" Meter 100 HCF	\$213.00	\$226.37	\$297.53
Industrial 8" Meter 500 HCF	\$1,080.00	\$1,432.33	\$1,851.11

The following table compares **estimated** SJMWS monthly water bills to GOWC and SJWC for various customer types assuming an \$85/AF wholesale water rate increase is passed through in retail rates:

<u>Average Monthly Water Bill</u> (effective July 1, 2007)			
<u>Customer Type</u>	<u>SJMWS</u>	<u>GOWC</u>	<u>SJWC</u>
Residential 5/8" Meter 15 HCF	\$36.53	\$35.49	\$49.40
Residential 3/4" Meter 15 HCF	\$36.70	\$39.24	\$49.40

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ANALYSIS (CONT'D.)

Residential 3/4" meter 30 HCF	\$72.61	\$67.22	\$85.44
Commercial 2" Meter 100 HCF	\$238.44	\$246.58	\$311.55
Industrial 8" Meter 500 HCF	\$1,209.00	\$1,533.15	\$1,914.18

/s/

JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please call Mansour Nasser, Deputy Director, at 277-4218.

Attachment A

**Current Meter Charge Comparison
SJMWS Vs. GOWC & SJWC
January 1, 2007**

Meter Size	# of Meters	SJMWS \$/Meter	Annual Meter Revenues	GOWC \$/Meter	Annual Meter Revenues	SJWC \$/Meter	Annual Meter Revenues
5/8"	13597	\$6.75	\$1,101,357.00	\$7.26	\$1,184,570.64	\$13.18	\$2,150,501.52
3/4"	8606	\$6.90	\$712,576.80	\$10.89	\$1,124,632.08	\$13.18	\$1,361,124.96
1"	1332	\$12.00	\$191,808.00	\$18.15	\$290,109.60	\$21.97	\$351,168.48
1.5"	456	\$24.00	\$131,328.00	\$36.30	\$198,633.60	\$43.94	\$240,439.68
2"	1206	\$37.00	\$535,464.00	\$58.07	\$840,389.04	\$70.30	\$1,017,381.60
3"	330	\$70.00	\$277,200.00	\$108.89	\$431,204.40	\$131.81	\$521,967.60
4"	71	\$107.00	\$91,164.00	\$181.48	\$154,620.96	\$219.68	\$187,167.36
6"	33	\$140.00	\$55,440.00	\$362.96	\$143,732.16	\$439.37	\$173,990.52
8"	14	\$200.00	\$33,600.00	\$580.74	\$97,564.32	\$703.00	\$118,104.00
10"	3	\$250.00	\$9,000.00	\$834.82	\$30,053.52	\$1,010.56	\$36,380.16
Total	25648		\$3,138,937.80		\$4,495,510.32		\$6,158,225.88
				<i>Variance</i>	\$1,356,572.52		\$3,019,288.08
					43.2% higher		96.2% higher

Note: Meter charges were last adjusted in July 2005. Using the existing customer base, the above table shows the revenue from current SJMWS's meter charges and what the revenue would be by applying GOWC's & SJWC's schedule of charges.

Attachment B

Current Meter Charge Comparison
SJMWS Vs. GOWC & SJWC
Effective July 1, 2007

Meter Size	# of Meters	SJMWS \$/Meter	Annual Meter Revenues	GOWC \$/Meter	Annual Meter Revenues	SJWC \$/Meter	Annual Meter Revenues
5/8"	13597	\$7.56	\$1,233,519.84	\$7.26	\$1,184,570.64	\$13.18	\$2,150,501.52
3/4"	8606	\$7.73	\$798,292.56	\$10.89	\$1,124,632.08	\$13.18	\$1,361,124.96
1"	1332	\$13.44	\$214,824.96	\$18.15	\$290,109.60	\$21.97	\$351,168.48
1.5"	456	\$26.88	\$147,087.36	\$36.30	\$198,633.60	\$43.94	\$240,439.68
2"	1206	\$41.44	\$599,719.68	\$58.07	\$840,389.04	\$70.30	\$1,017,381.60
3"	330	\$78.40	\$310,464.00	\$108.89	\$431,204.40	\$131.81	\$521,967.60
4"	71	\$119.84	\$102,103.68	\$181.48	\$154,620.96	\$219.68	\$187,167.36
6"	33	\$156.80	\$62,092.80	\$362.96	\$143,732.16	\$439.37	\$173,990.52
8"	14	\$224.00	\$37,632.00	\$580.74	\$97,564.32	\$703.00	\$118,104.00
10"	3	\$280.00	\$10,080.00	\$834.82	\$30,053.52	\$1,010.56	\$36,380.16
Total	25648		\$3,515,816.88		\$4,495,510.32		\$6,158,225.88
				<i>Variance</i>	\$979,693.44		\$2,642,409.00
					27.9% higher		75.2% higher

Note: Using the existing customer base, the above table shows the revenue from proposed SJMWS's meter charges and what the revenue would be by applying GOWC's & SJWC's schedule of charges. It should also be noted that no increase in GOWC or SJWC meter charges is assumed.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

SUBJECT: SCHOOL AREA PARKING
COMPLIANCE

DATE: May 31, 2007

Approved

/s/

Date 05/31/07

RECOMMENDATION

It is recommended that City Council approve the following amendments to the 2007-2008 Proposed Operating Budget to allow for the formation of a School Area Parking Compliance Team that will include four Parking and Traffic Control Officers (PTCOs) to increase parking compliance in school areas citywide, resulting in enhanced safety for school children, teachers and parents. This will require adding two new positions in the 2007-2008 Operating Budget, and redeploying two existing positions from parking facility patrol.

1. Increase the General Fund Personal Services Appropriation (0511) by \$315,000. This would include the addition of 2.0 new Parking and Traffic Compliance Officer (PTCO) positions and the transfer of 2.84 FTE (portions of three PTCOs and one Senior PTCO) from the Parking Fund to the General Fund;
2. Increase the General Fund parking citation revenue estimate by \$513,000 due to increased citation issuance primarily associated with enforcement activities in non-school areas;
3. Increase the General Fund Non-personal/Equipment Appropriation by \$132,000 to allow for the purchase of four clean-air vehicles for the PTCOs, two ticket-writers, and other miscellaneous equipment and supplies;
4. Increase the Citywide Citation Processing Appropriation by \$21,000;
5. Increase the Citywide Jail/Courthouse Fee Appropriation by \$45,000;
6. Decrease the Parking Fund (533) Personal Services Appropriation (0511) by \$209,314 to reflect the transfer of the 2.84 FTE to the General Fund;
7. Increase the Parking Fund (533) Ending Fund Balance by \$209,314.

BACKGROUND

The Department of Transportation and Police Department regularly receive concerns regarding vehicular speeding, illegal movements, and inappropriate parking during the drop-off and pick-up periods at elementary and middle schools. Similar concerns are also raised at the monthly meetings of the School Pedestrian Safety Committee (SPSC) attended by various school district

representatives. Recurring incidents, such as double parking, parking in red zones, and blocking driveways, impact traffic flow and negatively impact the safety of student pedestrians and bicyclists going to and from school.

To address these concerns, additional patrol by Parking and Traffic Control Officers (PTCO) is being supported by elementary and middle school Superintendents in San José. The PTCOs will encourage compliance with parking regulations and issue limited citations to individuals who do not voluntarily comply with posted parking restrictions.

In 2004-2005, four PTCO positions were added to provide patrol in parking garages to enhance safety and compliance with parking regulations. The new positions included funds previously allocated for contractual parking security as a way to test the use of PTCOs for both parking regulation enforcement, and parking garage safety patrol. Although the presence of the PTCOs has had some affect on thefts and vandalism in the garages, a recent Parking Garage Security Assessment by DOT and SJPD concluded that the security challenges that exist in the parking garages, especially late night on the weekends, require staff that can engage individuals involved in inappropriate or illegal activity, and stop the activity. For safety purposes, and to better match responsibilities with more typical classification duties, the PTCOs would be assigned to school safety area patrol and general parking patrol activities. The Parking Garage Security Assessment recommends that a sworn police officer detail, and private security staff resume those security activities in the parking garages. This necessitates removing 2.84 FTE PTCO positions funded in the Parking Fund for parking garage patrol. The Parking Garage Security Assessment and recommendations were presented to the Transportation and Environment Committee on May 29, 2007, and will be forwarded to City Council for review and approval on June 12, 2007.

ANALYSIS

There are approximately 200 elementary and middle schools in San Jose. As indicated above, traffic conditions at many of these schools impact the safety of student pedestrian and bicyclists in school zones. In 2006, there were 48 injury crashes involving school aged children. To enhance safety in school areas, the City provides many programs and services focusing on 3Es – Engineering, Education and Enforcement. While the engineering solutions make the city streets safer for drivers and pedestrians, the education programs are aimed at fostering safe driving habits and educating pedestrians and bicycle riders on how to share the road and enhance their personal safety. The enforcement program primarily involves SJPD enforcement of speeding and other moving violations, and to lesser extent, parking enforcement by DOT's Parking and Traffic Compliance Officers. This proposal expands the enforcement of safety related parking violations by the PTCOs and thereby improving safety around San Jose schools for pedestrians and bicycle riders.

Initiating an enhanced school area parking compliance with dedicated PTCO staff will provide ongoing coverage of school zones during drop-off and pick-up times. During non-school hours

HONORABLE MAYOR AND CITY COUNCIL

May 22, 2007

Subject: School Area Parking Compliance

Page 3

and days, the PTCOs will be able to assist with other priorities such as street sweeping, street maintenance, and residential permit parking zones.

In addition to enforcing parking regulations around schools, PTCOs will be available to meet with Crossing Guards to determine areas of concern where pedestrian safety may require attention and enforcement. The PTCOs will also be available to assist schools with developing strategies that address parking needs and traffic flow to make the drop-off and pick-up of students safer. They will also carry educational material on safe driving, cycling and walking with them, and distribute to drivers, cyclists and pedestrians as necessary.

COORDINATION

This proposal has been coordinated with the City Manager's Budget Office.

/s/

James R. Helmer
Director of Transportation



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: FAMILY CAMP COST RECOVERY **DATE:** May 25, 2007

Approved /s/ Date 05/31/07

BACKGROUND

The Department of Parks, Recreation and Neighborhood Services (PRNS) collects and assesses fees for programs in two Council-approved categories: Category 1 are those programs/services which should be cost recovery and Category 2 are those programs/services that may be less or more than cost recovery. Family camp operations have been designated as Category 1. As part of the discussion on the 2007-2008 Proposed Capital Budget, the Department was asked to provide information on cost recovery efforts related to Family Camp operations. The purpose of this memorandum is to provide that information.

ANALYSIS

The 2007-2008 projected cost recovery rate for Family Camp operations is expected to be 83.8%. It is important to keep in mind that the Department has intentionally taken actions to limit use of the facility in order to make improvements recommended by the City Auditor with respect to physical conditions of the property, staffing needs and compliance with the parameters set forth in the permit issued by the U.S. Department of Forestry for the operation of the facility. The following section highlights the recommendations of the City Auditor.

City Auditor Recommendations

San José Family Camp is located outside of Groveland, California. It is operated by the City of San José under a special use permit from the U.S. Department of Forestry. The permit enables the City to operate a camp that includes 72 tent platforms, 12 utility buildings, a dining hall and restrooms, a water supply and sewer system, 2 caretaker residences, a dam and swimming pool facility as well as the roads and parking areas within the camp.

In 2004, the City Auditor conducted a site visit and audit of Family Camp at the request of the PRNS Director. Historically, the facility had been managed by a contract employee and concerns had been raised regarding the physical condition of the camp as well as compliance with permit regulations.

The Auditor made eleven recommendations.

1. A physical needs assessment of camp facilities be conducted to identify health and safety issues.
2. Camp staff housing be upgraded.
3. A thorough clean-up of the facility be conducted in order to remove unused equipment and furnishing
4. Resources be identified to repair deck railings, leaking water tanks and the amphitheater.
5. Twenty-five non-permitted platforms that had been built at the facility be removed or that a permit amendment be obtained.
6. The role of the Friends of Family Camp be clarified to address construction of un-permitted facilities, improper storage and use of volunteer labor.
7. Efforts be made to ensure compliance with the City's substance abuse and sexual harassment policies.
8. A reasonable staffing pattern be established to ensure compliance with labor laws.
9. The practice of using under-age volunteers be examined.
10. The reservation process be revised to address issues related to equity of reservations, improper fee calculations specifically as it related to non-resident campers and unauthorized campers ("extra" campers who don't pay).
11. An inventory of tools and equipment be conducted.

In response to the City Auditor's recommendations, PRNS took aggressive action to improve operations at Family Camp. Professional staff was hired to assume oversight responsibility of the facility. A conditions assessment was conducted and major clean-up took place. Funding was identified within existing appropriations to initiate capital improvements and the role of the Friends of Family Camp was limited. In addition, the program's reservation process was changed to limit the number of reservations, both in terms of average stay as well as number of cabins that could be reserved. This was done in response to input that large groups were allowed to dominate reservations and there was a desire to reach out to new customers.

Fees were also raised in an effort to align the program with similar programs in the market. The combination of unanticipated capital costs, fee increases and changes in reservation policies has resulted in a negative impact to the program's cost recovery performance. However, these actions were necessary to re-establish the quality of the program and to ensure compliance with the operational permit.

Recognizing the importance of maintaining cost recovery, PRNS has proposed several changes to the 2007-2008 fees and charges resolution intended to provide incentives for customers. Special discounts are being proposed to encourage mid-week stays as well as special "family" weekends. It is important to note that at mid-year, the City Council approved the allocation of approximately \$200,000 to complete the repairs to staff housing as recommended by the City Auditor. These improvements will not only improve the physical environment for staff but also enable management staff to re-direct their efforts from physical improvements to more

HONORABLE MAYOR AND CITY COUNCIL

May 25, 2007

Subject: Family Camp Cost Recovery

Page 3

aggressive marketing and program improvements. As a result, while the program is not currently meeting its cost recovery goals, it is anticipated that over the next two years, the program will be able to improve its fiscal performance by continuing its efforts to focus on quality programming and maintaining a safe environment for campers. We expect to be over 90% cost recovery by the end of the 2009 season.

/s/

ALBERT BALAGSO

Director of Parks, Recreation, and
Neighborhood Services

June 1, 2007

Subject: Updated Information Regarding 2007-2008 General Fund Revenue Estimates

Page 2

SB 813 Property Tax (Property Resales)

A decrease of \$500,000 to the Property Tax revenue estimate is recommended to reflect lower projected SB 813 Property Tax receipts based on current collection trends and the continued slowdown in the housing market. The 2007-2008 Proposed Budget had included a downward adjustment to this category for both 2006-2007 and 2007-2008 based on the sluggish housing market. The recommended adjustment would bring the SB 813 Property Tax estimate to \$5.0 million, down from \$5.5 million currently included in the 2007-2008 Proposed Budget.

Utility Tax

A decrease of \$300,000 to the Utility Tax revenue estimate is recommended to reflect slight downward adjustments in the Electricity and Telephone Utility Tax categories based on current year collection trends. The Electricity Utility Tax category had assumed collections of \$36.5 million in 2006-2007 with growth of 2% in 2007-2008. It is now anticipated that receipts will fall below the 2006-2007 estimate by approximately \$200,000 after adjusting for the additional one-time funding received in 2006-2007. The Telephone Utility Tax category is also projected to fall slightly (approximately \$100,000) below the 2006-2007 estimate of \$24.6 million based on collections through April 2007. The 2007-2008 projected growth rate of 1% in the Telephone Utility Tax category would remain the same.

/s/

Larry D. Lisenbee
Budget Director



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: CITY-WIDE AQUATICS

DATE: 06-01-07

Approved /s/

Date 06/01/07

RECOMMENDATION

- A. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 3 Parks Construction and Conveyance Tax Fund (Fund 380) to allow the use of the reserve funds for repairs to the Biebrach pool:
1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- B. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 4 Parks Construction and Conveyance Tax Fund (Fund 381) to allow the use of the reserve funds for repairs to the Alviso pool:
1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- C. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 6 Parks Construction and Conveyance Tax Fund (Fund 384) to allow the use of the reserve funds for repairs to the Biebrach pool and for school leases:
1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- D. Approval of amendments to the 2007-2008 Proposed Capital Budget and 2008-2012 Capital Improvement Program to provide continued funding for Pool Repairs in each year in the following Construction and Conveyance Tax funds:
1. Council District 3 Construction and Conveyance Tax Fund (Fund 380):
 - a. Increase the Pool Repairs appropriation by \$40,000 per year for a total of \$200,000; and
 - b. Decrease the Ending Fund Balance by \$40,000 per year for a total of \$200,000.
 2. Council District 4 Construction and Conveyance Tax Fund (Fund 381):
 - a. Increase the Pool Repairs appropriation by \$18,000 per year for a total of \$90,000; and
 - b. Decrease the Ending Fund Balance by \$18,000 per year for a total of \$90,000.

3. Council District 5 Construction and Conveyance Tax Fund (Fund 382):
 - a. Increase the Pool Repairs appropriation by \$25,000 per year for a total of \$125,000; and
 - b. Decrease the Ending Fund Balance by \$25,000 per year for a total of \$125,000.
 4. Council District 7 Construction and Conveyance Tax Fund (Fund 385):
 - a. Increase the Pool Repairs appropriation by \$53,000 per year for a total of \$265,000; and
 - b. Decrease the Ending Fund Balance by \$53,000 per year for a total of \$265,000.
 5. Council District 9 Construction and Conveyance Tax Fund (Fund 388):
 - a. Increase the Pool Repairs appropriation by \$25,000 per year for a total of \$125,000; and
 - b. Decrease the Ending Fund Balance by \$25,000 per year for a total of \$125,000.
- E. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Subdivision Park Trust Fund (Fund 375):
1. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department for the Reserve: Ryland Pool in the amount of \$1,450,000;
 2. Decrease the Reserve: Future PDO/PIFO Projects by \$1,050,000; and
 3. Decrease the Reserve: North District 3 Park Acquisition and Development project by \$400,000.

BACKGROUND

On February 27, 2007, staff submitted recommendations to the City Council for a 15 year implementation strategy for the development of the City-wide Aquatics Program. The Council approved those recommendations with an amendment that the minimum level of repairs necessary to satisfy health and safety requirements be made to the three closed City pools (Alviso, Biebrach and Ryland) so that they could be re-opened as quickly as possible.

The Administration has moved forward with a design/build approach for the repairs of the pools in order to re-open the pools for the 2008 summer season. A request for qualifications was issued to retain a pool consultant who will be responsible for assembling the design/build procurement documents. Based on the current assessment of the pools, the following is a summary of key milestone dates for the project.

Milestone	Completion Date
Complete preparation of construction documents	September 4, 2007
Bid Opening	September 27, 2007
Construction Start	November/December, 2007
Complete Construction	May/June, 2008

The estimated cost of the repairs is \$2.6 million.

As part of the February 27, 2007 action, the Council also approved staff's recommendation to include in the Proposed 2007-2008 Capital Budget, a reserve in the amount of \$500,000 in each

Council District's Construction and Conveyance Tax Fund. The proposed budget reflects this direction. In this memorandum it is recommended that the reserves in Districts 3, 4 and 6 be converted to live appropriations to complete the repairs of the three closed pools.

It is important to note that two of the closed pools are located in District 3 and will require more than \$500,000 in repairs (approximately \$900,000 for Biebrach and \$1,400,000 for Ryland). In order to fund the projects and re-open the pools for the 2008 summer season, it is recommended that the repair costs for the Biebrach pool be shared between District 3 (CD3 - \$500,000) and District 6 (\$400,000). Biebrach is within close proximity to District 6 and District 6 residents will benefit from the project. For the repairs at Ryland, \$1.4 million in funds are identified in this action that can be used (\$1.04M in new, unallocated park trust funds and an existing reserve for CD3 park improvements in the amount of \$400,000.) Efforts are still being pursued to secure private contributions towards the repairs for Ryland Pool and as a result, funding for the Ryland Pool repairs would be placed in a dedicated reserve pending any actions needed for design and construction.

ANALYSIS

Use of Proposed Reserves in Remaining Council Districts

In order to advance the vision of the Aquatics Master Plan, the proposed budget includes a \$500,000 reserve in each district to support a system of complimentary elements throughout the City. As previously noted, the reserves in Districts 3, 4 and 6 are proposed to be used to re-open the closed City-owned facilities for the 2008 summer season. Staff is recommending that the remaining reserves be used to fund school-site leases, support new development, fund public/private partnerships and to make improvements to existing facilities. In this way, the reserves in each District will collectively create a financing mechanism that will ensure access to aquatics programs that are tailored to the needs of individual council districts across the City.

In areas with existing pools, it is proposed that reserves be used to make the facilities more energy efficient, purchase equipment to attract new users (such as aqua recumbent bikes or audio/video equipment for movie nights in the pool,) or to install new technology that will streamline operations (customer tracking systems that can be used to improve marketing as well as issue season passes/membership cards or monitoring equipment that will enable maintenance staff to monitor facilities remotely during off-hours to leverage limited resources.)

In areas without pools, it is recommended that funds be used to facilitate partnerships and collaborations as well as new development. The recent success with San Jose Unified School District for sports fields at Leland High School is an illustration of how limited resources can be leveraged to improve access to services for San Jose residents. Funds in the reserves could be used to continue school leases, to improve facilities to make them more amenable for community use or to build new facilities.

It is important to note that the proposed budget only creates the reserves. This memorandum recommends activation of the reserve in districts 3, 4, and 6. Separate appropriation action will be required to fund specific projects within the remaining districts. Additional dialog will take place to define the specific use of the remaining individual Council reserves. Enclosed as

Attachment A is a matrix of preliminary recommendations by Council District for the use of these funds.

Aquatics Master Plan

In order to be responsive to Council's direction to expedite the repairs of the closed pools, staff resources have been re-directed from the Master Plan process to the repair process. As a result, there will be a slight adjustment to the Master Plan schedule. The final document is currently being drafted. Once it has been completed, the next milestone will be to present the document to the Parks and Recreation Commission on June 6 and to the City Council on August 21, following the Council's summer recess.

Use of Funds for Pool Repairs in Council Districts

Based on the condition of each pool, staff recommends allocating the following ongoing amounts for Pool Repairs using the Council District's Construction and Conveyance Tax Fund:

Council District 3:	\$40,000 per year for a total of \$200,000 over five years
Council District 4:	\$18,000 per year for a total of \$90,000 over five years
Council District 5:	\$25,000 per year for a total of \$125,000 over five years
Council District 7:	\$53,000 per year for a total of \$265,000 over five years
Council District 9:	\$25,000 per year for a total of \$125,000 over five years

It is recommended that these ongoing allocations be funded from each of the Council District's Ending Fund Balances. The Ending Fund Balance in each fund is sufficient enough to fund these increases without affecting any other projects or reserves already allocated in the fund. Funds will be utilized for the purchase and installation of replacement units such as pool filters, boilers, and other components related to water quality. Funds will also be used for rebuilding pumps, motors, and replacing venting as needed.

2007 Summer Season

Planning for the 2007 summer season is well underway. Contracts have been negotiated and programs will be offered at the following sites: Camden, Fair, Del Mar High School, Willow Glen Middle School, Piedmont High School, Silver Creek High School, Santa Teresa High School and Peter Burnett Middle School.

It is anticipated that PRNS will hire approximately 60 individuals for the summer program. Given the high number and the relatively short timeframe, staff has been actively recruiting. Presentations have been made to community groups and school career centers. In an effort to recruit "home-grown" expertise, PRNS will be offering a limited number of scholarships to students from the schools to be leased so that they can obtain the required licenses. PRNS staff is working with the school site personnel to identify individuals for these scholarships. In doing this, it is hoped that the staff will become more diverse and knowledgeable about the communities that they serve. Additionally, PRNS is working with local swim clubs like West Coast Aquatics to recruit and hire their participants for our program as well.

HONORABLE MAYOR AND CITY COUNCIL

06-01-07

Subject: Citywide Aquatics

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This year's season will start on June 19 and continue through August 10. Early mail-in registration began April 30 and will continue through May 18. Walk-in registration will take place on June 14 and June 15.

| _____ /s/

ALBERT BALAGSO

Director

Department of Parks, Recreation and
Neighborhood Services

If you have any questions, please contact CYNTHIA BOJORQUEZ at 535-3581.

Cc: Les White
Ed Shikada
Katy Allen

Rick Doyle
Barbara Jordan

attachment

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
1	2		Reserve for school site partnership or spray park adjacent to District 6 border, with both Districts contributing.	<ul style="list-style-type: none"> ▪ Residents would have access to spray parks on both the West and East sides of the City (Mayfair Spray Park) ▪ School facilities could be improved in exchange for community access.
Total			\$500,000	
2	2		\$250,000 for Neighborhood Family Aquatics Center feasibility study, \$250,000 reserve for design/construction once site has been identified.	<ul style="list-style-type: none"> ▪ Advances project to fill service gap in South San Jose area.
Total			\$500,000¹	
3	1, 3	Increase on-going maintenance allocation to \$40,000/year (based on 2 six-lane pool facilities ²)	\$2,350,000 to repair Ryland and Biebrach. <i>May want to allocate additional 1x funds to implement PG&E energy efficiency investments.</i>	<ul style="list-style-type: none"> ▪ Ongoing preventative maintenance activities will assist in preserving safety of Biebrach and Ryland pools ▪ Both pools re-open
Total		\$40,000	\$2,350,000³	
4	1, 3	Increase on-going maintenance allocation to \$18,000/year	<ul style="list-style-type: none"> ▪ \$337,000 to complete repairs ▪ \$163,000 could: <ul style="list-style-type: none"> Add shade structures, Implement recommendations resulting from PG&E energy efficiency audit. 	<ul style="list-style-type: none"> ▪ Ongoing preventative maintenance activities will help preserve the safety of the Alviso pool. ▪ Customers will be protected from sun exposure as a result of shade amenities. ▪ Facility will be more energy efficient reducing future costs.
Total		\$18,000	\$500,000	

¹ Does not include construction costs or on-going expense when facility opens.

² Reserve for a new 6-lane pool is \$17,100. Given age of the facilities, recommending that this amount be raised to \$20,000.

³ District 3 will be required to invest more than \$500,000 as the District has two pools to be re-opened. Funds for the repair of Ryland (\$1,450,000) new, unallocated park trust funds and an existing CD3 park improvements reserve will be used. \$400,000 will be used as D6 share contribution of Biebrach pool repairs.

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
5	3, 4	Increase on-going maintenance allocation to \$25,000/year	<ul style="list-style-type: none"> ▪ \$500,000 could: <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; On-line tracking systems to facilitate registration, monthly or season passes. Automatic sunscreen equipment Monitoring equipment so that pools can be monitored remotely during off-hours. 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment will attract new users and increase revenue opportunities, ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will facilitate better utilization of limit maintenance staff.
Total		\$25,000	\$500,000	
6	1, 2		<p>\$400,000 to support repair of Biebrach pool.</p> <p>\$100,000 for school leases through 2010 or as a contribution to a spray park along the border of District 1</p>	<ul style="list-style-type: none"> ▪ District 6 residents will have access to Biebrach pool. ▪ Funds will be available to continue school leases of Del Mar High School and Willow Glen High School once closed pools come back on-line in 2008. Otherwise, there will be no source of funds for those leases.
Total			\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
7	3, 4	Increase on-going maintenance allocation to \$53,000/year	<p>\$500,000 could be used to:</p> <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; Automatic sunscreen On-line tracking systems to facilitate registration, monthly or season passes. Monitoring equipment so that pools can be monitored remotely during off-hours. Enhance Group Pavilion 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment (aqua bikes, audio/visual) will attract new users and will increase revenue opportunities. ▪ Automatic sunscreen machine will provide an additional revenue source while promoting sun safety for customers. ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will result in better utilization of limited maintenance staff.
Total		\$53,000	\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
8	2		<p>\$400,000 would be used to establish a reserve to benefit the development of aquatics facilities at either the Arcadia site or Fowler Creek.</p> <p>\$100,000 for lease of Silver Creek through 2012 (both recreation and lessons.)</p>	<ul style="list-style-type: none"> ▪ Funds would be available to continue lease of Silver Creek High School once closed pools come back on-line in 2008. Otherwise, there will be no source of funds for that lease. ▪ Funds would be available for FFE (such as aqua bikes, audio/video for movie nights, shade structures, etc) at new sites.
Total			\$500,000	
9	3, 4	Increase on-going maintenance reserve to \$24,300	<p>\$500,000 could be used to:</p> <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; On-line tracking systems to facilitate registration, monthly or season passes. Automatic sunscreen equipment Monitoring equipment so that pools can be monitored remotely during off-hours. Lease an additional school site <u>for swim lessons only.</u> 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment will attract new users and increase revenue opportunities, ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will facilitate better utilization of limit maintenance staff. ▪ Lease of school site would provide greater access across District.
Total		\$24,300	\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
10	2		<p>\$400,000 could be used to joint venture with a local school district, local cabana club or YMCA.</p> <p>\$100,000 for school leases through 2010 for <u>swim lessons only</u>.</p>	<ul style="list-style-type: none"> ▪ Improvements would be made on property of joint venture partner in exchange for community use similar to Leland agreement. ▪ The demand in D10 is for swim lessons. This investment would enable the City to lease two sites (Leland/Pioneer) for swim lessons only. Operating costs would be offset by revenue generated from lessons.
Total			\$500,000	

RECOMMENDATION (CONT'D.)

472	Branch Libraries Bond Projects Fund	10,537,000
460	Interim City Facilities Improvement Fund	4,000
131	Emma Prusch Fund	22,000
375	Subdivision Park Trust Fund	11,251,000
377	Const Tax & Property Conveyance Tax Fund: Council District 1	1,905,000
378	Const Tax & Property Conveyance Tax Fund: Council District 2	251,000
380	Const Tax & Property Conveyance Tax Fund: Council District 3	1,625,000
381	Const Tax & Property Conveyance Tax Fund: Council District 4	330,000
382	Const Tax & Property Conveyance Tax Fund: Council District 5	923,000
384	Const Tax & Property Conveyance Tax Fund: Council District 6	600,000
385	Const Tax & Property Conveyance Tax Fund: Council District 7	1,671,000
386	Const Tax & Property Conveyance Tax Fund: Council District 8	191,000
388	Const Tax & Property Conveyance Tax Fund: Council District 9	240,000
389	Const Tax & Property Conveyance Tax Fund: Council District 10	843,000
390	Const Tax & Property Conveyance Tax Fund: Central Fund	1,043,000
391	Const Tax & Property Conveyance Tax Fund: City-Wide	9,798,000
398	Const Tax & Property Conveyance Tax Fund: Parks Maint. Yards	876,000
462	Lake Cunningham Fund	232,000
471	Park and Recreation Bond Projects Fund	57,554,000
392	Const Tax & Property Conveyance Tax Fund: Fire	535,000
475	Neighborhood Security Act Bond Fund	3,565,000
450	Services for Redevelopment Capital Projects Fund	2,757,274
540	Sanitary Sewer Connection Fee Fund	8,786,000
545	Sewer Service & Use Charge Capital Improvement Fund	11,444,000
429	Building & Structure Construction Tax Fund	5,513,000
465	Construction Excise Tax Fund	8,691,000
512	San José-Santa Clara Treatment Capital Fund	17,842,000
500	Water Utility Capital Fund	1,092,000
	TOTAL	\$ 506,756,070

For each fund, the funding source recommended for the items is either an increase in the estimate for the fund's beginning fund balance or an increase in the estimate for revenue.

- b. Establish the San José Arena Enhancement Fund (Fund 310) to account for the contractually required payments from the San José Arena Management and the City for capital enhancements at the HP Pavilion. This Fund would also account for the funding of capital enhancements and resulting debt service repayments at this facility, as previously approved by the City Council on May 8, 2007.
- c. Adopt a resolution making certain determinations regarding the related expenditure of Redevelopment Agency funds on certain public improvements in connection with the Sanitary Sewer Improvements Phase II project as more specifically described in the memorandum from the Redevelopment Agency, dated May 9, 2007, attached hereto.

BACKGROUND

All appropriations automatically lapse at the end of each fiscal year, and all unspent funds become part of the following year's beginning fund balance. Therefore, without Council action to rebudget appropriations, funds budgeted in 2006-2007 for various programs and projects would be unavailable to complete those projects during 2007-2008.

In addition, since the release of the 2007-2008 Proposed Operating and Capital Budgets on May 1, 2007 and April 26, 2007, respectively, additional information has become available regarding various capital and operating programs that necessitate revisions to the amounts or timing of a number of operating and capital programs.

ANALYSIS

The amendments recommended for approval in this report primarily result from the following factors:

Clean-Up Adjustments

- Appropriation adjustments needed for projects and activities that have been identified after the 2007-2008 Proposed Operating and Capital Budgets were released. Some examples include recent grant awards (State and federal grants to Police, Emergency Services and Environmental Services for public safety and energy conservation activities); and a small number of new projects (including International Garbage Sterilization, Guadalupe Gardens Community Garden, Tamien Specific Plan Area Park Improvements Design, and TRAIL: Guadalupe River and Harliss Street Park) as well as the conversion of reserves in the Park Trust Fund into project appropriations for 2007-2008.
- Changes to various revenue estimates and project appropriations to reflect revised schedules, cost estimates, or Council priorities.
- A total of 5.02 net positions are recommended to be added to reflect funding recommendations included in the Healthy Neighborhoods Venture and Community Development Block Grant Funding programs. They include the continuation of 4.02 positions in Library and 1.0 net positions in the Parks, Recreation and Neighborhood Services Department.
- The establishment of a San José Arena Enhancement Fund along with appropriation ordinance and funding sources resolution amendments for the City's share of HP Pavilion capital enhancements approved by the City Council on May 8, 2007.

Rebudget Adjustments

- Rebudget adjustments to allocate funding in the year the project expenditures are expected to occur. In these cases, funds are carried over from 2006-2007 to 2007-2008 to complete or continue projects.

HONORABLE MAYOR AND COUNCIL

June 1, 2007

**Subject: RECOMMENDED AMENDMENTS TO THE 2007-2008 PROPOSED OPERATING AND
CAPITAL BUDGETS**

Page 4

ANALYSIS (CONT'D.)

The specific revisions recommended in this memorandum are listed and discussed in more detail in Attachment A (General Fund), Attachment B (Special Funds) and Attachment C (Capital Funds) by two categories: Clean-Ups and Rebudgets.

/s/

LARRY D. LISENBEE

Budget Director

Attachments

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

Dept/Project	Appropriation	GENERAL FUND	2007-2008 Use	2007-2008 Source
Clean-Ups				
City Manager	Personal Services: Technical adjustment to change a proposed position to support the Sunshine Task Force from an Administrative Manager position to a Senior Executive Analyst position. Included in Manager's Budget Addendum #6, Sunshine Reform Budget Detail, is funding to support an Administrative Manager position in the City Manager's Office. It has been determined that a Senior Executive Analyst position is a more appropriate classification for the duties required of a Public Records Manager. No change in the dollars recommended is required.		0	
Environmental Services	Personal Services/Other Revenue: Subsequent to the publication of the 2007-2008 Proposed Budget, the City was awarded a grant from PG&E for an Energy Watch program. This is the second year of a three-year PG&E grant. The funds will be used to support the continuation of a temporary Environmental Services Specialist position to provide targeted energy education and outreach services within the South Bay/Silicon Valley.		85,219	85,219
Environmental Services	Non-Personal/Equipment/Other Revenue: Subsequent to the publication of the 2007-2008 Proposed Budget, the City was awarded a grant from PG&E for an Energy Watch program. This is the second year of a three-year PG&E grant. The funds will be used to develop outreach to increase energy efficiency program participation, based on the unique needs of the South Bay/Silicon Valley.		98,567	98,567
General Services	Non-Personal/Equipment: Technical adjustment to increase the General Services Department Non-Personal/Equipment to reflect funding to maintain four facilities that are coming on-line in 2007-2008. In the 2007-2008 Proposed Budget, this funding was displayed in the Parks, Recreation and Neighborhood Services Department. This action transfers the funding to the General Services Department. A corresponding decrease to Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment budget is also recommended.		7,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

Dept/Project	Appropriation	GENERAL FUND	2007-2008 Use	2007-2008 Source
Clean-Ups (Cont'd.)				
Parks, Rec & Neighborhood Svcs	Non-Personal/Equipment: Technical adjustment to decrease Parks, Recreation and Neighborhood Services' Non-Personal/Equipment to reflect funding as described above for maintaining new facilities coming on-line in 2007-2008.		(7,000)	
Independent Police Auditor	Personal Services: An increase to the Independent Police Auditor's (IPA) Personal Services appropriation is recommended to prevent a cost overrun in 2007-2008. The IPA hired a Deputy Director in 2006-2007, after the 2007-2008 base budget was set, at a higher salary than was budgeted. Funds to offset this increase are recommended to come from the General Fund Earmarked Salary and Benefits Reserve.		26,000	
Earmarked Reserves	Salary and Benefits Reserve: A decrease to the Salary Reserve is recommended to offset the Independent Police Auditor's (IPA) Personal Services increase described above.		(26,000)	
Mayor's Office	Mayor's Office: Technical adjustment to decrease the Mayor's Office appropriation. During the development of the 2007-2008 Proposed Operating Budget, the base budget for the Mayor and City Council was incorrectly calculated. As a result, the budget was overstated by \$100,618. This action corrects that error. The resulting savings are recommended to be used to offset the increase in costs for the Council Districts.		(100,618)	
Council General	Council General: Technical adjustment to decrease the Council General appropriation. During the development of the 2007-2008 Proposed Operating Budget, the base budget for the Mayor and City Council was incorrectly calculated. As a result, the Council General allocation was overstated by \$21,813. This action corrects that error. The resulting savings are recommended to be used to offset the increase in costs for the Council Districts.		(21,813)	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

Dept/Project	Appropriation	GENERAL FUND	2007-2008 Use	2007-2008 Source
Clean-Ups (Cont'd.)				
Council Districts	Council Districts: Technical adjustment to increase the Council District appropriations. During the development of the 2007-2008 Proposed Operating Budget, the base budget for the Mayor and City Council was incorrectly calculated. As a result the Council District allocations were understated by \$150,391. This action corrects that error. Savings from the Mayor's Office and Council General allocations (\$122,431) discussed above and additional revenue (\$27,960) from minor adjustments are available to cover this increased cost.		150,391	
Revenue Adjustment	Revenue from Local Agencies: Technical adjustment to increase the reimbursement from the San José Redevelopment Agency for its support of the Mayor and City Council. During the development of the 2007-2008 Proposed Operating Budget, the base budget for the Mayor and City Council was incorrectly calculated. To correct this error, a net increase of \$27,960 is recommended. As 25% of the Mayor and City Council's budget is supported by the Redevelopment Agency, a corresponding increase to the earned revenue estimate is also recommended.			6,990
Human Resources	Non-Personal/Equipment: An increase in the Human Resources Department's Non-Personal/Equipment appropriation is recommended to complete the transfer of the Risk Management function from the Finance Department. The Risk Management function was transferred from the Finance Department to the Human Resources Department in the 2007-2008 Base Budget. Due to a timing issue, Non-Personal/Equipment funding was inadvertently not included in this transfer. A corresponding reduction to the Finance Department's Non-Personal/Equipment budget is also recommended.		11,000	
Finance	Non-Personal/Equipment: A decrease in the Finance Department's Non-Personal/Equipment appropriation is recommended to complete the transfer of the Risk Management function to the Human Resources Department as described above.		(11,000)	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

Dept/Project	Appropriation	GENERAL FUND		2007-2008 Use	2007-2008 Source
Clean-Ups (Cont'd.)					
Planning, Building & Code Enforcement	Personal Services/Revenue from State: The City was awarded a grant from the State of California to establish a waste tire enforcement program. Funding has been included to add a 1.0 Environmental Inspector position and related non-personal/equipment funding to 1) identify illegal waste tire piles; 2) inspect tire facilities, points of tire generation, haulers, and end-use facilities; and 3) investigate referrals and complaints and other similar functions to ensure compliance with State law. A portion of the revenue is for support of currently budgeted positions.			168,980	189,950
Planning, Building & Code Enforcement	Non-Personal/Equipment/Revenue from State: This action recognizes and appropriates the non-personal/equipment cost component of the Waste Tire Enforcement Grant program.			40,800	40,800
Police	Personal Services/Revenue from Federal Government: Appropriates funding from the FBI to support overtime expenses incurred as a result of the Police Department's participation in the South Bay Human Trafficking/Smuggling Task Force. This action recognizes revenue from the federal government for this activity.			15,573	15,573
Police	Personal Services/Revenue from Federal Government: Appropriates funding from the FBI to support overtime expenses incurred as a result of the Police Department's participation in the Silicon Valley Regional Computer Forensic Laboratory. This action recognizes revenue from the federal government for this activity.			15,573	15,573
City-Wide Expenses	Comprehensive General Plan Update: Reallocates funding from the Earmarked Reserve for the Comprehensive General Plan Update to a City-Wide Expenses appropriation for expenditures related to the Update.			200,000	
Earmarked Reserves	Comprehensive General Plan Update: Technical adjustment to reallocate funding from the Comprehensive General Plan Update Earmarked Reserve to a City-Wide Expenses Comprehensive General Plan Update appropriation.			(200,000)	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Clean-Ups (Cont'd.)			
City-Wide Expenses	<p>2005-2008 Human Trafficking Prevention Grant/Revenue from Federal Government: The City was awarded a grant for activities related to the prevention of human trafficking. This is the third year of a three-year federal grant.</p>	75,000	75,000
City-Wide Expenses	<p>Super UASI Management Team/Revenue from Federal Government: A total of \$148,873 was appropriated in the 2006-2007 Mid-Year Budget Review to fund a temporary Lieutenant position in the Police Department through June 2007. Grant funding for the position has been authorized to be extended through September 2007 by Bay Area Super UASI. In order to fund the position through the authorized period, this action, coupled with the 2007-2008 rebudget action noted later in this document, is necessary. This action also recognizes revenue from the Federal Government for this activity.</p>	38,813	38,813
City-Wide Expenses	<p>Banking Services/Other Revenue: An increase to the Banking Services appropriation is recommended to correspond with higher costs anticipated in 2007-2008 due to increased merchant credit card transaction levels. Additional revenues from the investment program can be recognized to offset this expenditure.</p>	230,000	230,000
Capital/Traffic	<p>Transportation Maintenance Backlog - Neighborhood Appearance: Increases the Transportation Maintenance Backlog - Neighborhood Appearance project to address the backlog of landscape renovations. Old landscape will be removed and replaced with new landscape that requires less maintenance and will reduce the operations and maintenance costs to the General Fund. A corresponding decrease to the Maintenance Backlog - Safety Enhancements project is recommended to support this increase.</p>	1,600,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Clean-Ups (Cont'd.)			
Capital/Traffic	Transportation Maintenance Backlog - Safety Enhancements: Decreases the Maintenance Backlog - Safety Enhancements project and shifts the funding to the Transportation Maintenance Backlog - Neighborhood Appearance allocation to help address the backlog of landscape renovations. Funding for safety enhancements was initially programmed to address the backlog in streetlights, traffic signals, and closing of sidewalk gaps. Because these items would have costly operations and maintenance impacts to the General Fund, the Department of Transportation is recommending the reallocation of this funding. Minimal funding will still remain to address the backlog of streetlights.	(1,600,000)	
Clean-Ups Subtotal		796,485	796,485
Rebudgets			
City Attorney	Non-Personal/Equipment: Standard Specifications Project Contract	100,000	
City Clerk	Non-Personal/Equipment: Technology	45,000	
City Manager's Office	Personal Services: City Manager Projects	100,000	
City Manager's Office	Non-Personal/Equipment: City Manager Projects (Savings from Personal Services)	100,000	
Economic Development	Non-Personal/Equipment: Cultural Affairs Activities (Cultural Strategy Development and Gated Event Reimbursements)	47,630	
Environmental Services	Personal Services: Energy Watch Grant	19,899	
"	Non-Personal/Equipment: Energy Watch Grant	95,000	
"	Non-Personal/Equipment: Silicon Valley Energy Program Grant	36,687	
Fire	Personal Services: Fire Engineer Academy	233,600	
Human Resources	Personal Services: City-Wide Testing	20,000	
"	Non-Personal/Equipment: Workforce Planning	115,000	
Information Technology	Non-Personal/Equipment: Technology Improvements	4,522	
Library	Non-Personal/Equipment: Early Care and Lifelong Literacy	425,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<u>GENERAL FUND</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Rebudgets (Cont'd.)				
Library	Library Grants: Staff Education and Let's Talk About It		3,600	
Parks, Rec & Neighborhood Svcs	Personal Services: Happy Hollow Capital Campaign		1,911	
Planning, Building & Code Enforcement	Non-Personal/Equipment: Development Services (Website Consultant, Architectural Review Committee, Address Database Update, Vehicle Replacements, Code Books, Contractual Plan Check Services, Customer Service Facility Improvements, Public Address System, Computer Hardware/Software Replacement)		751,000	
"	Non-Personal/Equipment: Tow Rate Study, Neighborhood Revitalization, Comprehensive General Plan Update, Multiple Housing/Off-Sale Alcohol Inspection permit systems VAX Conversion, and Code Enforcement Fee Funded Vehicles		334,000	
Police	Personal Services: July 2007 Recruit Academy (\$900,000 of the savings is from Non-Personal/Equipment). Funding is necessary to keep pace with the Sworn Hire Ahead Program.		1,300,000	
"	Non-Personal/Equipment: Build-Up for 3 Marked Vehicles, Child Interview Center, PAB Improvements and Safety Equipment for 10 New Officers		558,839	
City-Wide Expenses	2000-2001 California Law Enforcement Equipment Program Grant		83,643	
"	2001-2002 California Law Enforcement Equipment Program Grant		80,685	
"	2002-2003 California Law Enforcement Equipment Program Grant		2,068	
"	2005 Urban Area Security Initiative Grant/Revenue from Federal Government		447,944	447,944
"	2005-2008 Human Trafficking Prevention Grant/Revenue from Federal Govt		85,000	85,000
"	2006 Super UASI-OES/Revenue from Federal Government		1,000,000	1,000,000
"	2006 Super UASI-Police/Revenue from Federal Govt		11,197	11,197
"	Airport West Property Development		116,000	
"	Alviso Historical Markers		4,021	
"	Animal Care and Services Program		463,260	
"	Annual Audit		356,142	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<u>GENERAL FUND</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Rebudgets (Cont'd.)				
City-Wide Expenses	Arena Community Fund		242,628	
"	Arts Stabilization Loan Fund		3,166,000	
"	Arts Venture Fund		197,000	
"	Assistant City Clerk Recruitment		10,320	
"	Automated Fingerprint Identification System Phase II		502,624	
"	Automated Fingerprint Identification System Phase III		169,237	
"	Block 3 Public Art		13,426	
"	Budget and Retirement Directors Recruitment		25,240	
"	City Charter Review		250,000	
"	City Hall Interim Parking		55,047	
"	City Hall Retail Space		800,000	
"	City Outreach and Education Efforts		160,000	
"	City Volunteer Background Checks		10,000	
"	City-Owned Property Database		110,000	
"	City-Wide Broadband Network (savings in Info Technology Non-Pers/Equip)		50,000	
"	Comcast Negotiation		90,000	
"	Comprehensive General Plan Update		875,387	
"	Computer Systems Master Plan		119,144	
"	Contractual Street Tree Planting		235,057	
"	Council Member Transition Funds		42,844	
"	Coyote Valley Specific Plan and EIR/Other Revenue (continuation of 1.0 Office Specialist, 1.0 Geographic Systems Specialist, 2.0 Planner, 1.0 Senior Planner and 2.0 Principal Planner positions in Planning, Building and Code Enforcement Department from June 30, 2007 to December 31, 2007)		2,006,000	2,006,000
"	Crimestoppers		30,000	
"	Destination Event Marketing		197,831	
"	Domestic Violence Prevention Program		661,859	
"	e-Government Implementation Project		23,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<u>GENERAL FUND</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Rebudgets (Cont'd.)				
City-Wide Expenses	Elections Commission		37,387	
"	Elections Commission Audit		20,000	
"	Emergency Management Performance Grant/Revenue from Federal Govt		129,292	129,292
"	Emergency Response and Preparedness		500,000	
"	Energy/Fuel Usage		270,811	
"	Enterprise Content Mgt System (savings in Info Technology Non-Pers/Equip)		500,000	
"	Female Gang Intervention Program		20,440	
"	Firewall & Detection Capabilities (savings in Info Technology Non-Pers/Equip)		48,000	
"	FMC Site Operating Costs		200,000	
"	General Fund Structural Deficit Task Force		250,000	
"	General Liability Claims		6,500,000	
"	Geographic Information System Integration		34,928	
"	Hazardous Materials Consent Judgment		142,400	71,000
"	Historic Preservation		156,150	
"	Hoffman/Via Monte Neighborhood Youth Center		616,845	
"	Human Resources PeopleSoft Hiring Module		78,800	
"	Info Security/Network Arch Audits (savings in Info Technology Non-Pers/Equip)		500,000	
"	Internet Crimes Against Children Grant/Revenue from Federal Government		220,000	220,000
"	Investing in Results Efforts		8,991	
"	Joint Planning - South Campus District		315,000	
"	Juvenile Justice and Delinquency Prevention Grant/Revenue from Federal Govt		126,322	103,597
"	Los Lagos Golf Course Netting		33,606	
"	Low Income Energy Assistance Program		240,000	
"	Management Training		99,071	
"	Martha Gardens/Spartan Keyes Arts Festival		45,000	
"	Metropolitan Medical Response System Grant/Revenue from Federal Govt		232,330	232,330
"	Metropolitan Medical Task Force Grant		151,554	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<u>GENERAL FUND</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Rebudgets (Cont'd.)				
City-Wide Expenses	Neighborhood Strip Retail Revitalization		292,875	
"	Neighborhood Revitalization Strategy		305,833	
"	Networking of Remote Sites		27,805	
"	Nike Animal Rescue Foundation		49,263	49,263
"	Old City Hall Land Use Planning		55,000	
"	Old City Hall Remaining System Migration Study		154,007	
"	OTS 2004-07 DUI/Seat Belt Safety Program/Revenue from State		178,286	178,286
"	OTS Safety Checkpoint Mini-Grant/Revenue from State		30,856	30,856
"	Outside Evaluation for Healthy Neighborhoods Venture Fund		100,000	
"	Pandemic Flu Planning		143,000	
"	Parking Citations Processing		124,196	
"	Parking Citations/Jail Courthouse Fees		232,292	
"	Parks Maintenance - Non-Personal/Equipment Purchases		1,148,129	
"	Payroll/Human Resources Project		100,000	
"	Planning Area Studies		37,500	
"	Public Art in Private Development Fund		246,466	136,000
"	Public, Educational, and Government (PEG) Access Facilities - Capital		1,750,000	
"	Public, Educational, and Government (PEG) Access Facilities - Operations		2,000,000	
"	San José Beautiful Program		83,957	
"	San José BEST		130,062	
"	San José Future Teachers Loan Program		13,594	
"	Science Program for Alum Rock Youth Center		9,482	
"	Senior Staff Home Loan Assistance		1,750,000	
"	Sick Leave Payments Upon Retirement		5,500,000	
"	Smart Start Neighborhood Centers/Revenue from Federal Government		39,775	39,775
"	Sports Opportunity Fund		93,883	
"	Stevens Creek Auto Row		135,000	
"	Strong Neighborhoods Initiative (Expanded)		150,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

GENERAL FUND		2007-2008	2007-2008
Dept/Project	Appropriation	Use	Source
Rebudgets (Cont'd.)			
City-Wide Expenses	Sunshine Reforms	125,000	
"	Training and Continuous Improvement Program	25,000	
"	Walk of Fame	50,000	
"	Weed and Seed-East San José (Seeding)/Revenue from Federal Government	36,692	36,692
"	Workers' Compensation Claims	500,000	
Capital/Communications	COPS 2003-2004 Interoperable Commun Grant/Revenue from Federal Govt	4,717,718	3,692,162
Capital/Fire	Fire Apparatus Replacement and Repair	224,000	
Capital/Muni Improv	Closed Landfill Compliance	88,000	
"	Facility Infrastructure Maintenance Backlog	337,000	
"	Watson Planning Remediation and Contingency	50,000	
Capital/Parks	Mayfair Summer Aquatics Program	379,000	
"	Parks and Recreation Bond Projects	588,000	
"	Senior Friendly Park Elements	30,000	
"	Tamien Station Skateboard Park Development	622,000	
Capital/Parks	Youth Sports Fields Joint Use Agreement	50,000	
Capital/Traffic	City-Wide Sidewalk Repairs	80,000	
"	Transportation Maintenance Backlog - Safety Enhancements	1,800,000	
"	Transportation Maintenance Backlog -Neighborhood Appearance	360,000	
Earmarked Reserves	Airport Overhead Reserve	3,006,000	
"	Economic Uncertainty Reserve	3,958,415	
"	Enhanced Park Maintenance Reserve	5,021,839	
"	Environmental Mitigation (Burrowing Owl Habitat) Reserve	338,520	
"	Fee Supported Reserve - Building	7,712,406	
"	Fee Supported Reserve - Fire	2,833,278	
"	Fee Supported Reserve - Planning	607,276	
"	Fee Supported Reserve - Public Works	751,944	
"	Fuel Usage	750,000	

2007-2008 Clean-Up and Rebudget Proposals

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<u>GENERAL FUND</u>	<u>2007-2008</u> <u>Use</u>	<u>2007-2008</u> <u>Source</u>
Rebudgets (Cont'd.)				
Earmarked Reserves	Future Capital Projects (FF&E) Reserve		6,824,806	
"	Hayes Mansion Line of Credit Reserve		5,000,000	
"	Neighborhood Investment Fund		4,160,516	
"	Reserve for Neighborhood Capital Improvements		4,341,659	
"	Salary & Benefits Reserve		21,300,000	
"	Workers' Compensation/General Liability Reserve		10,000,000	
Contingency Reserve	Contingency Reserve		1,800,000	
Fund Balance	Beginning Fund Balance Adjustment: Rebudgets			123,342,155
Rebudgets Subtotal			131,811,549	131,811,549
General Fund Total			132,608,034	132,608,034

SPECIAL FUNDS

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Airport Maintenance and Operation Fund (523)			
Rebudgets			
Airport	Beginning Fund Balance Adjustment: Rebudgets		238,935
"	Non-Personal/Equipment: Airport Curfew Fines Program	238,935	
Rebudgets Subtotal		238,935	238,935
Airport Maintenance and Operation Fund Total		238,935	238,935
Anti-Tobacco Master Settlement Agreement Revenue Fund (426)			
Clean-Ups			
Library	Technical adjustment to authorize continuation of 1.0 Senior Library Clerk, 0.5 Literacy Program Specialist PT and 0.14 Library Clerk PT positions for the Books for Little Hands program. Upon approval of Manager's Budget Addendum #21, funding for these positions will be added in 2007-2008 as a result of the Healthy Neighborhoods Venture Funding Advisory Committee's recommendations.	0	
Clean-Ups Subtotal		0	0
Anti-Tobacco Master Settlement Agreement Revenue Fund Total		0	0
Community Development Block Grant Fund (441)			
Clean-Ups			
Parks, Rec & Neighborhood Svcs	Technical adjustment to the staffing authorized for the Anti-Litter and Anti-Graffiti program to reflect the final 2007-2008 CDBG grant award. A vacant Senior Painter and 0.50 Community Activity Worker PT are proposed for elimination. Offsetting those eliminations are the addition of 1.0 Maintenance Worker I and 1.5 Maintenance Assistant PT. This reconfiguration was proposed to better assist the program to decrease the presence of blight through prompt removal of graffiti and litter and the installation of fences and surveillance cameras to eliminate illegal dumping sites. There are no additional costs associated with this change.	0	

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Community Development Block Grant Fund (441) (Cont'd.)			
Clean-Ups (Cont'd.)			
Library	Technical adjustment to continue 1.0 Literacy Program Specialist, 0.75 Youth Outreach Worker II PT and 0.63 Library Page PT positions to reflect the 2007-2008 CDBG grant award for the San José Smart Start Family Child Care Program. These positions train and assist prospective home childcare operators as well as provide retention services to new home childcare operators. The costs for these positions were already included in the 2007-2008 Proposed Operating Budget.	0	
Clean-Ups Subtotal		0	0
Rebudgets			
Housing	Beginning Fund Balance Adjustment: Rebudgets		1,308,841
Housing	Yu-Ai-Kai Acquisition	323,400	
Parks, Rec & Neighborhood Svcs	O'Conner Park Restroom Building	249,498	
"	Alma Community Center	285,943	
Public Works	Gateway East Sanitary Sewers	400,000	
Redevelopment Agency	Japantown Rest Areas and Streetscape	50,000	
Rebudgets Subtotal		1,308,841	1,308,841
Community Development Block Grant Fund Total		1,308,841	1,308,841
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474)			
Clean-Ups			
Police	Beginning Fund Balance Adjustment: Recognizes additional 2006-2007 interest earnings above the estimate included in the 2007-2008 Proposed Budget and allocates funding for expenditure in 2007-2008.		585

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Edward Byrne Memorial Justice Assistance Grant Trust Fund (474) (Cont'd.)			
Clean-Ups (Cont'd.)			
Police	JAG 2005-2007: Allocates 2006-2007 interest from the JAG 2005-2007 Grant for workstation upgrades, software licensing, infrastructure upgrades, and digital cameras, as stated in the Council approved spending plan. The interest revenue was assumed in the development of the 2007-2008 Proposed Budget but had not been allocated to the project.	8,785	
"	JAG 2006-2008: Allocates 2006-2007 interest from the JAG 2006-2008 Grant for radio headsets, tasers, and consultant fees for implementing the new Records Management System. The spending plan is to be presented to the City Council on June 19, 2007. The interest revenue was assumed in the development of the 2007-2008 Proposed Budget but had not been allocated to the project.	5,800	
"	Ending Fund Balance: A decrease to the Ending Fund Balance is recommended to offset the actions recommended above.	(14,000)	
Clean-Ups Subtotal		585	585
Rebudgets			
Police	Beginning Fund Balance Adjustment: Rebudgets		290,995
"	JAG 2005-2007	31,215	
"	JAG 2006-2008	259,780	
Rebudgets Subtotal		290,995	290,995
Edward Byrne Memorial Justice Assistance Grant Trust Fund Total		291,580	291,580

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
Federal Drug Forfeiture Fund (419)			
Clean-Ups			
Police	Non-Personal/Equipment: Allocates funding for replacement of outdated narcotics - covert tactical equipment, including Kevlar vests, helmets and other safety gear.	54,800	
"	Ending Fund Balance: A decrease to the Ending Fund Balance is recommended to offset the action recommended above.	(54,800)	
Clean-Ups Subtotal		0	0
Federal Drug Forfeiture Fund Total		0	0
General Purpose Parking Fund (533)			
Clean-Ups			
Transportation	Police Department Parking Garage Security Services: This action establishes a Police Department Parking Garage Security Services appropriation for Police Officers to patrol and address the late evening security issues which will enhance customer safety in the City's parking garages.	150,000	
"	Ending Fund Balance: A decrease to the Ending Fund Balance is recommended to offset the action recommended above.	(150,000)	
Clean-Ups Subtotal		0	0
General Purpose Parking Fund Total		0	0
Gift Trust Fund (139)			
Clean-Ups			
Finance	Earned Revenue: Donations received for Library, Police and Economic Development activities		62,913
Library	Library Literacy	250	

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Gift Trust Fund (139) (Cont'd.)			
Clean-Ups (Cont'd.)			
Library	Library Gifts	44,013	
Police	Canine Unit	3,150	
Economic Development	Sponsorship Gifts	15,500	
Clean-Ups Subtotal		62,913	62,913
Gift Trust Fund Total		62,913	62,913
Integrated Waste Management Fund (423)			
Clean-Ups			
Environmental Services	Yard Trimmings/Street Sweeping: An increase to the Yard Trimmings/Street Sweeping appropriation is necessary to accurately reflect the anticipated 2007-2008 expenditures.	847,700	
"	Single Family Recycle Plus: An increase to the Single Family Recycle Plus appropriation is necessary to accurately reflect the anticipated 2007-2008 expenditures.	418,300	
"	Non-Personal/Equipment: A decrease to the Non-Personal/Equipment appropriation is necessary to reflect the actions described above.	(1,266,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
Environmental Services	Beginning Fund Balance Adjustment: Rebudgets		132,950
"	Non-Personal/Equipment: Public Area Recycling Program	116,950	
Finance	Delinquent Lien Releases	16,000	
Rebudgets Subtotal		132,950	132,950
Integrated Waste Management Fund Total		132,950	132,950

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
Library Parcel Tax Fund (418)			
Rebudgets			
Library	Beginning Fund Balance Adjustment: Rebudgets		815,000
"	Non-Personal/Equipment: Literacy Program Support	115,000	
"	Acquisition of Materials	700,000	
Rebudgets Subtotal		815,000	815,000
Library Parcel Tax Fund Total		815,000	815,000
Low and Moderate Income Housing Fund (443)			
Clean-Ups			
Housing	Overhead: Increases funding for Overhead as a result of the addition of two positions added in the 2007-2008 Proposed Operating Budget. This increase was inadvertently omitted.	41,337	
"	Ending Fund Balance: This action funds the technical adjustment recommended above.	(41,337)	
Clean-Ups Subtotal		0	0
Low and Moderate Income Housing Fund Total		0	0
Multiple Sources Housing Fund (448)			
Rebudgets			
Housing	Beginning Fund Balance Adjustment: Rebudgets		625,000
"	CalHOME Program	400,000	
"	SNI Rehabilitation Program	150,000	
"	Teacher Mobile Home Program	75,000	
Rebudgets Subtotal		625,000	625,000
Multiple Sources Housing Fund Total		625,000	625,000

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
San José Arena Enhancement Fund (301)			
Clean-Ups			
Finance	Commercial Paper Proceeds: Establishes an estimate for commercial paper proceeds to fund HP Pavilion capital enhancements, approved by the City Council on May 8, 2007.		8,250,000
Economic Development	Capital Enhancements: Establishes a Capital Enhancements appropriation to fund capital improvements at HP Pavilion. On May 8, 2007, the City Council approved the funding of the City's share (50% City/50% HP Pavilion Management) of proposed capital enhancements at HP Pavilion which include the following improvements: Center Ice Scoreboard, HD Video Equipment Upgrade, LED Fascia Display, Rigging Capacity Upgrade, Seating Arena Sound System, Acoustic Improvements, and Consultants/Contingency.	8,250,000	
Clean-Ups Subtotal		8,250,000	8,250,000
San José Arena Enhancement Fund Total		8,250,000	8,250,000
SJ/SC Treatment Plant Operating Fund (513)			
Rebudgets			
Environmental Services	Beginning Fund Balance Adjustment: Rebudgets		167,050
"	Non-Personal/Equipment: WET Rebate Program	90,000	
"	Non-Personal/Equipment: Watershed Outreach Program	77,050	
Rebudgets Subtotal		167,050	167,050
SJ/SC Treatment Plant Operating Fund Total		167,050	167,050

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
Sewer Service & Use Charge Fund (541)			
Rebudgets			
Environmental Services	Beginning Fund Balance Adjustment: Rebudgets		500,000
Transportation	Non-Personal/Equipment: Vector Trucks	500,000	
Rebudgets Subtotal		500,000	500,000
Sewer Service & Use Charge Fund Total		500,000	500,000
State Drug Forfeiture Fund (417)			
Rebudgets			
Police	Beginning Fund Balance Adjustment: Rebudgets		25,025
"	Non-Personal/Equipment: DUI Van Outfitting Equipment	25,025	
Rebudgets Subtotal		25,025	25,025
State Drug Forfeiture Fund Total		25,025	25,025
Storm Sewer Operating Fund (446)			
Rebudgets			
Environmental Services	Beginning Fund Balance Adjustment: Rebudgets		25,200
"	Non-Personal/Equipment (Watershed Outreach Program)	25,200	
Rebudgets Subtotal		25,200	25,200
Storm Sewer Operating Fund Total		25,200	25,200

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2007-2008 Use	2007-2008 Source
Supplemental Law Enforcement Services Fund (414)			
Clean-Ups			
Police	SLES 2004-2006: Recognizes interest earnings since June 30, 2006, the encumbrance deadline for SLES 2004-2006. Any interest earned after the deadline cannot be used for additional expenses and must be returned to the State. This action allocates funding to return the unused interest to the State.	6,500	
"	SLES 2006-2008: Recognizes 2006-2007 interest earnings and allocates funding for broadband communications enhancement, digital evidence collection, computer upgrades, RMS upgrades, and training, as stated in the Council approved spending plan.	50,000	
"	Ending Fund Balance: A decrease to the Ending Fund Balance is recommended to offset the actions recommended above.	(56,500)	
Clean-Ups Subtotal		<u>0</u>	<u>0</u>
Rebudgets			
Police	Beginning Fund Balance Adjustment: Rebudgets		1,698,268
"	SLES Grant 2006-2008	1,698,268	
Rebudgets Subtotal		<u>1,698,268</u>	<u>1,698,268</u>
Supplemental Law Enforcement Services Fund Total		1,698,268	1,698,268
Transient Occupancy Tax Fund (461)			
Rebudgets			
Finance	Beginning Fund Balance Adjustment: Rebudgets		1,303,000
Economic Development	Cultural Grants	1,303,000	
Rebudgets Subtotal		<u>1,303,000</u>	<u>1,303,000</u>
Transient Occupancy Tax Fund Total		1,303,000	1,303,000

2007-2008 Clean-Up and Rebudget Proposals

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
Water Utility Fund (515)			
Clean-Ups			
Information Technology	Personal Services: Technical adjustment to increase Personal Services to reflect the transfer of 1.0 Accounting Technician from the Environmental Services Department to support the Integrated Billing System. This position was inadvertently included in the Environmental Services Department in the 2007-2008 Proposed Operating Budget.	93,200	
Environmental Services	Personal Services: Technical adjustment to decrease Personal Services to reflect the transfer of 1.0 Accounting Technician to the Information Technology Department to support the Integrated Billing System. As described above, this position was inadvertently included in the Environmental Services Department in the 2007-2008 Proposed Operating Budget.	(93,200)	
Clean-Ups Subtotal		<u>0</u>	<u>0</u>
Water Utility Fund Total		0	0

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
AIRPORT CAPITAL PROGRAM			
Airport Capital Improvement Fund (520)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		16,971,000
	Airport Rescue and Fire Fighting Facility Upgrade	834,000	
	Fire Truck	1,000,000	
	Noise Attenuation Treatment - Category IB	1,500,000	
	Noise Monitoring Units	717,000	
	North Concourse Building	12,672,000	
	Taxiway Y Reconstruction	147,000	
	Taxiway Z Alignment	101,000	
Rebudgets Subtotal		16,971,000	16,971,000
Airport Capital Improvement Fund Total		16,971,000	16,971,000
Airport Revenue Bond Improvement Fund (526)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		124,987,000
	Airport Rescue and Fire Fighting Facility Upgrade	201,000	
	Central Plant Expansion	1,860,000	
	Consolidated Rental Car Facility	2,800,000	
	Electrical Distribution System	66,000	
	FMC Site Reuse Preparation	13,000,000	13,000,000
	Gate A1-C Relocation	18,000	
	Master Plan Miscellaneous Precursor Projects	4,122,000	
	North Concourse Building	21,022,000	
	Public Parking Garage	7,525,000	
	Terminal Area Improvement, Phase I	60,670,000	
	Terminal Area Improvement, Phase II	23,337,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
AIRPORT CAPITAL PROGRAM (CONT'D.)			
Airport Revenue Bond Improvement Fund (526) (Cont'd.)			
Rebudgets (Cont'd.)			
	Utility Infrastructure	1,166,000	
	Warehouse Building Maintenance	100,000	
	West Side Airfield Reconstruction	2,100,000	
Rebudgets Subtotal		137,987,000	137,987,000
Airport Revenue Bond Improvement Fund Total		137,987,000	137,987,000
Airport Renewal and Replacement Fund (527)			
Clean-Ups			
	FIS 3rd Floor Lounge Build-Out: Increases the Federal Inspection Services (FIS) facility 3rd Floor Lounge Build-Out appropriation by \$56,000 to cover the cost of the construction contingency on this project.	56,000	
	Fuel Storage Tank Repairs: Increases the Fuel Storage Tank Repairs allocation by \$39,000. This allocation was recommended as part of the 2007-2008 Proposed Capital Budget to fund on-call services to repair fuel storage tanks as needed. This proposed action would shift funding, to better align staff work efforts, from the Land Improvements project which was earmarked for fuel tank repairs.	39,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
AIRPORT CAPITAL PROGRAM (CONT'D.)			
Airport Renewal and Replacement Fund (527) (Cont'd.)			
Clean-Ups (Cont'd.)			
	International Garbage Sterilization: Establishes an International Garbage Sterilization project in the amount of \$450,000 to fund the design and construction of a garbage sterilization system, formerly managed by an outside vendor, to be located on Airport property. This system will enable the Airport to sterilize on site garbage from international flights.	450,000	
	Ending Fund Balance: Decreases the Ending Fund Balance to reflect the effect of the recommended changes above.	(545,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		5,879,000
	Advanced Planning	71,000	
	Airfield Improvements	440,000	
	Airport Rescue and Fire Fighting Facility Feasibility	25,000	
	AVI System Replacement	788,000	
	Computerized Maintenance Management System	589,000	
	Equipment, Operating	437,000	
	Fire Truck	241,000	
	FIS 3rd Floor Lounge Build-Out	530,000	
	Fuel Farm Improvement and Clean-Up	72,000	
	HVAC Repairs and Monitoring	40,000	
	Land Improvements	40,000	
	Master Plan Miscellaneous Precursor Projects	372,000	
	Noise Attenuation Testing - Category III	21,000	
	Noise Monitoring Units	25,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
AIRPORT CAPITAL PROGRAM (CONT'D.)			
Airport Renewal and Replacement Fund (527) (Cont'd.)			
Rebudgets (Cont'd.)			
	Pavement Maintenance	115,000	
	Public Art	850,000	
	Refurbish/Replacement of Parking Cashier Booths	45,000	
	Refurbish/Replacement of Shuttle Bus Shelters	79,000	
	Replace/Upgrade UPS at ACC	10,000	
	Runway Guard Light Replacement	58,000	
	Taxiway Z Alignment	36,000	
	Terminal Area Improvements, Phase I	709,000	
	Terminal Building Modifications	143,000	
	Terminal Elevator Repair	93,000	
	West Side Airfield Reconstruction	50,000	
	Rebudgets Subtotal	5,879,000	5,879,000
	Airport Renewal and Replacement Fund Total	5,879,000	5,879,000
Airport Passenger Facility Charge Fund (529)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		31,816,000
	Noise Attenuation Treatment - Category IB	5,160,000	
	Noise Attenuation Treatment - Category II/III	439,000	
	Taxiway Y Reconstruction	1,800,000	
	Terminal Area Improvement, Phase I	24,417,000	
	Rebudgets Subtotal	31,816,000	31,816,000
	Airport Passenger Facility Charge Fund Total	31,816,000	31,816,000
	AIRPORT CAPITAL PROGRAM TOTAL	192,653,000	192,653,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
CIVIC CENTER CAPITAL PROGRAM			
Civic Center Construction Fund (425)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudget		2,835,000
	City Hall Capital Enhancements	352,000	
	Watson Site Clean-up and Restoration	2,483,000	
Rebudgets Subtotal		2,835,000	2,835,000
Civic Center Construction Fund Total		2,835,000	2,835,000
Civic Center Parking Fund (433)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudget		80,000
	New City Hall Parking Garage	80,000	
Rebudgets Subtotal		80,000	80,000
Civic Center Parking Fund Total		80,000	80,000
Civic Center Improvement Fund (473)			
Clean-Ups			
	Commercial Paper Proceeds Adjustment: This technical adjustment reflects the issuance of commercial paper proceeds to offset the Technology, Furniture, and Equipment adjustment described on the following page.		2,500,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
CIVIC CENTER CAPITAL PROGRAM (CONT'D.)			
Civic Center Improvement Fund (473) (Cont'd.)			
Clean-Ups (Cont'd.)			
	Technology, Furniture, and Equipment: This technical adjustment allocates funding to the Technology, Furniture, and Equipment appropriation to make this allocation whole as a result of a decrease to this allocation approved by the City Council on May 15, 2007. This action reallocated commercial paper proceeds to the Construction Tax and Property Conveyance Tax Fund: Service Yards Purposes due to the timing of when trustee-held commercial paper proceeds must be spent. As a result of this action, there is no net change to the overall Technology, Furniture, and Equipment allocation as previously approved by the City Council and reflected in the 2008-2012 Proposed CIP.	2,500,000	
Clean-Ups Subtotal		2,500,000	2,500,000
Civic Center Improvement Fund Total		2,500,000	2,500,000
CIVIC CENTER CAPITAL PROGRAM TOTAL		5,415,000	5,415,000
LIBRARY CAPITAL PROGRAM			
Construction Tax and Property Conveyance Tax Fund: Library Purposes (393)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		515,000
	Branch Libraries Fixtures, Furnishings and Equipment	365,000	
	Branch Library Bond Projects	50,000	
	New Branch Opening Day Collections	100,000	
Rebudgets Subtotal		515,000	515,000
Construction Tax and Property Conveyance Tax Fund: Library Purposes Total		515,000	515,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
LIBRARY CAPITAL PROGRAM (CONT'D.)			
Library Parcel Tax Fund (418)			
Please refer to the Special Funds section (Attachment B) for capital-related items for the Library Parcel Tax Fund.			
Branch Libraries Bond Projects Fund (472)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		10,537,000
	Almaden Branch	568,000	
	Bascom Branch	719,000	
	Bond Projects Services Consultant	32,000	
	Calabazas Branch	672,000	
	Dr. Roberto Cruz Alum Rock Branch	37,000	
	East San José Carnegie Branch	96,000	
	Edenvale Branch	1,751,000	
	Educational Park Branch	1,600,000	
	Joyce Ellington Branch	838,000	
	Pearl Avenue Branch	1,636,000	
	Santa Teresa Branch	969,000	
	Seventrees Branch	652,000	
	Willow Glen Branch	967,000	
	Rebudgets Subtotal	10,537,000	10,537,000
Branch Libraries Bond Projects Fund Total		10,537,000	10,537,000
LIBRARY CAPITAL PROGRAM TOTAL		11,052,000	11,052,000

2007-2008 Clean-Up and Rebudget Proposals

Attachment C

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
MUNICIPAL IMPROVEMENTS CAPITAL PROGRAM			
Interim City Facilities Improvement Fund (460)			
Clean-Ups			
	Commercial Paper Proceeds Adjustment: This technical adjustment reflects the issuance of commercial paper proceeds to offset the Interim City Facilities Improvements adjustment described below.		4,000
	Interim City Facilities Improvements: This technical adjustment allocates funding to the Interim City Facilities Improvements appropriation to make this project whole as a result of a decrease to this project approved by the City Council on May 15, 2007. This action reallocated commercial paper proceeds to the Construction Tax and Property Conveyance Tax Fund: Service Yards Purposes, necessary due to the timing of when trustee-held commercial paper proceeds must be spent. As a result of this action, there is no net change to the overall Interim City Facilities Improvements allocation as previously approved by the City Council and reflected in the 2008-2012 Proposed CIP.	4,000	
Clean-Ups Subtotal		4,000	4,000
Rebudgets			
	Beginning Fund Balance: Rebudgets		(1,432,694)
	Commercial Paper Proceeds		1,432,694
Rebudgets Subtotal		0	0
Interim City Facilities Improvement Fund Total		4,000	4,000
MUNICIPAL IMPROVEMENTS CAPITAL PROGRAM TOTAL		4,000	4,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM			
Emma Prusch Fund (131)			
Clean-Ups			
	Prusch Park Improvements: Increases the Prusch Park Improvements appropriation by \$30,000. This project will provide funding for various improvements including enhancing the animal enclosures, and installing new blinds and window coverings in the rented buildings.	30,000	
	Ending Fund Balance: Decreases the Ending Fund Balance to reflect the net effect of the changes above.	(30,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		22,000
	LeFevre House Improvements	22,000	
Rebudgets Subtotal		22,000	22,000
Emma Prusch Fund Total		22,000	22,000

Subdivision Park Trust Fund (375)

Clean-Ups			
	Aborn Park Master Plan: Establishes an appropriation for the Aborn Park Master Plan project and decreases a corresponding reserve. This funding will enable the master planning process to begin, which will include obtaining CEQA clearance and performing a site survey.	25,000	
	Reserve: Aborn Park Development: Decreases the reserve for the Aborn Park Development project. A related action establishes an appropriation to begin the master planning portion project.	(25,000)	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Subdivision Park Trust Fund (375) (Cont'd.)			
Clean-Ups (Cont'd.)			
	Almaden Apartments Area Master Plan: Establishes an appropriation for the Almaden Apartments Area Master Plan project and decreases a corresponding reserve. This funding will enable the master planning process to begin, which will include obtaining CEQA clearance and performing a site survey.	25,000	
	Reserve: Future Park Development for Almaden Apartments Area: Decreases the reserve for the Future Park Development for Almaden Apartments Area project. A related action establishes an appropriation to begin the master planning portion of this project.	(25,000)	
	Guadalupe Gardens Community Garden: Increases the budget for the Guadalupe Gardens Community Garden project. This project will provide funding for the development, design and construction of a community garden at Guadalupe Gardens. Additional funding totaling \$200,000 is being allocated in the City-Wide Construction and Conveyance Tax Fund (see related item in the City-Wide Construction and Conveyance Tax Fund section of this document) for this project.	170,000	
	Reserve: Future PDO/PIFO Projects: Decreases the Reserve: Future PDO/PIFO Projects to provide funding for the Guadalupe Gardens Community Garden project.	(170,000)	
	Clean-Ups Subtotal	0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		11,251,000
	Alma Community Center	5,000	
	Almaden Lake Park Neighborhood Improvements	16,000	
	Almaden Lake Park Playground	43,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Subdivision Park Trust Fund (375) (Cont'd.)			
Rebudgets (Cont'd.)			
	Almaden Winery Rose Garden Irrigation Improvements	20,000	
	Autumn Terrace at Bonita Park	55,000	
	Backesto Park Improvements	50,000	
	Barberry Lane Pathway Improvements	6,000	
	Bascom Community Center	50,000	
	Bernal Park Improvements	21,000	
	Berryessa Creek Park Play Lot Renovation	405,000	
	Bestor Art Park Minor Improvements	75,000	
	Boggini Park Play Equipment	9,000	
	Brigadoon Park Improvements	39,000	
	Butcher Dog Park	200,000	
	Butcher Park Improvements	130,000	
	Butcher Park Restroom	70,000	
	Cahalan Park Renovations	10,000	
	Camden Community Center Tot Program Restroom Renovation	75,000	
	Camden Park and Community Center Improvements	95,000	
	Chelmers Park Development	233,000	
	Children of the Rainbow Park Renovation Public Art	2,000	
	City-wide Skateboard Park Development	286,000	
	Curci Parksite Improvements	206,000	
	Curci Parksite Turnkey Park	44,000	
	Discovery Community Garden	40,000	
	Evergreen Community Center Expansion Public Art	1,000	
	Falls Creek Park Development	442,000	
	Fernish Park Renovations	150,000	
	Flickinger Park Improvements	231,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Subdivision Park Trust Fund (375) (Cont'd.)			
Rebudgets (Cont'd.)			
	Fontana Dog Park Improvements	400,000	
	Gregory Street Tot Lot Improvements	10,000	
	Guadalupe Gardens Community Garden	43,000	
	Happy Hollow Park and Zoo Phase II Renovations	344,000	
	Hester Park Renovations	35,000	
	Houge Park Security Lighting	73,000	
	Kirk Community Center Feasibility Study	75,000	
	LoBue Park Development	228,000	
	Madden Avenue/Jackson Avenue Turnkey Park	41,000	
	Martin Park Expansion	702,000	
	Mayfair Center Pools Public Art	35,000	
	Mayfair Community Center - Satellite	2,546,000	
	McLaughlin Park Improvements	36,000	
	Modern Ice Turnkey Park	56,000	
	Murdock Park Renovations	14,000	
	Noble Park Irrigation Conversion	5,000	
	Parkview III Park Renovations	24,000	
	Penitencia Creek Neighborhood Park Public Art	10,000	
	Penitencia Creek Park Dog Park	685,000	
	Penitencia Creek Park Dog Park Public Art	14,000	
	Penitencia Creek Reach II Public Art	10,000	
	Plata Arroyo Improvements	82,000	
	Plata Arroyo Park Restroom	7,000	
	Plata Arroyo Skate Park Development	60,000	
	Plata Arroyo Skate Park Development Public Art	8,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Subdivision Park Trust Fund (375) (Cont'd.)			
Rebudgets (Cont'd.)			
	Ramblewood Park Improvements	10,000	
	River Glen Park Improvements	66,000	
	Roosevelt Center Gymnasium Design	161,000	
	Roosevelt Center Handball Court Demolition	70,000	
	Roosevelt Community Center - Multi-Service	351,000	
	Roosevelt Park Skate Park	50,000	
	Rose Garden Enhancements	120,000	
	Saratoga Creek Park Dog Park Public Art	3,000	
	Scott and Clifton Park Real Estate Services	21,000	
	Selma Olinder Dog Park	200,000	
	Solari Community Center - Multi-Service	797,000	
	Tamien Skate Park Development	11,000	
	TJ Martin Park Turf Renovation	36,000	
	TRAIL: Bay Trail Reach 9B	10,000	
	TRAIL: Coyote Creek (Phelan Avenue to Los Lagos Golf Course)	180,000	
	Turtle Rock Park Improvements	59,000	
	Vista Park Community Room and Restroom	16,000	
	Vista Park Transformer Relocation	153,000	
	Watson Park Expansion Land Acquisition	25,000	
	Wilcox Park Renovations	10,000	
	Youth Sports Fields Joint-Use Agreement	350,000	
	Rebudgets Subtotal	11,251,000	11,251,000
Subdivision Park Trust Fund Total		11,251,000	11,251,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #1 (377)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		1,905,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Council District 1 Public Art	2,000	
	Rainbow Park Master Plan Update	330,000	
	Starbird Park Irrigation Renovation	300,000	
	Starbird Youth Center Fixtures, Furnishings and Equipment	50,000	
	West San José Community Center Fixtures, Furnishings and Equipment	20,000	
	West San José Community Center Landscaping and Monument Sign	120,000	
	Youth Center-District 1 (Starbird Youth Center)	1,067,000	
	Rebudgets Subtotal	1,905,000	1,905,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #1 Total		1,905,000	1,905,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #2 (378)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		251,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Council District 2 Public Art	40,000	
	Discovery Community Garden	10,000	
	TRAIL: Albertson Parkway	185,000	
	Rebudgets Subtotal	251,000	251,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #2 Total		251,000	251,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #3 (380)			
Clean-Ups			
	Roosevelt Skate Park: Establishes a new appropriation for the Roosevelt Skate Park project. This project is currently funded in the Park Trust Fund, however due to insufficient funds being available within the nexus of this facility the project was not fully funded. With this additional \$450,000, however, the funding gap will be eliminated.	450,000	
	Tamien Specific Plan Area Park Improvements: Establishes a new appropriation for the Tamien Specific Area Park Improvements project. Funding will be used to begin planning and designing various park improvements to the Tamien Specific Area.	300,000	
	TRAIL: Guadalupe River and Harliss Street Park: Establishes a new project totaling \$200,000 to design and construct a park at the end of Harliss Street, along the Guadalupe River Trail.	200,000	
	Ending Fund Balance: Decreases the Ending Fund Balance to reflect the net effect of the changes above.	(950,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		1,625,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Pool Repairs	60,000	
	Roosevelt Community Center - Multi-Service	967,000	
	Roosevelt Hockey Rink Cover	215,000	
	Ryland Pool Repairs	200,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #3 (380) (Cont'd.)			
Rebudgets (Cont'd.)			
	Sixth and William Parksite Acquisition and Development	117,000	
	Tamien Station Skateboard Park Development	50,000	
Rebudgets Subtotal		1,625,000	1,625,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #3 Total		1,625,000	1,625,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 (381)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		330,000
	Alviso Park Expansion	240,000	
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Council District 4 Public Art	30,000	
	Pool Repairs	29,000	
	TRAIL: Bay Trail Reach 9B	15,000	
Rebudgets Subtotal		330,000	330,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 Total		330,000	330,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 (382)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		923,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 (382) (Cont'd.)			
Rebudgets (Cont'd.)			
	Mayfair Community Center - Satellite	799,000	
	Pool Repairs	60,000	
	TRAIL: Lower Silver Creek Master Plan	48,000	
	Rebudgets Subtotal	923,000	923,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 Total		923,000	923,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #6 (384)			
Clean-Ups			
	Bascom Community Center - Multi-Service: Technical adjustment to increase the project budget by \$1,045,000, which would restore funding to its original level of \$1,500,000. In the Proposed 2007-2008 Capital Budget, funding was inadvertently reduced while consolidating two projects (the Bascom Community Center (Land Acquisition), and the Bascom Community Center), into the Bascom Community Center - Multi-Service project.	1,045,000	
	Ending Fund Balance: Decreases the Ending Fund Balance to reflect the net effect of the changes above.	(1,045,000)	
	Clean-Ups Subtotal	0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		600,000
	Cinnabar Commons Park Historical Signage	20,000	
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Customer Response Projects	6,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #6 (384) (Cont'd.)			
Rebudgets (Cont'd.)			
	Parks and Recreation Bond Projects	120,000	
	Scottish Rite Parksite Development	100,000	
	Tamien Station Skateboard Park Development	50,000	
	TRAIL: Los Gatos Creek Reach V Master Plan	88,000	
	TRAIL: Willow Glen Spur Trail Acquisition	200,000	
	Rebudgets Subtotal	600,000	600,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #6 Total		600,000	600,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #7 (385)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		1,671,000
	Barberry Lane Pathway Improvements	6,000	
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Council District 7 Public Art	14,000	
	Fair Swim Center Fixtures, Furnishings and Equipment	10,000	
	Nisich Park Development	180,000	
	Parks and Recreation Bond Projects	196,000	
	Pool Repairs	50,000	
	Solari Park Master Plan	5,000	
	Tamien Station Skateboard Park Development	100,000	
	Tully Road Ballfields Parking Lot Improvements	444,000	
	Vietnamese American Community Center	650,000	
	Rebudgets Subtotal	1,671,000	1,671,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #7 Total		1,671,000	1,671,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #8 (386)			
Clean-Ups			
	Fowler Creek Park Fixtures, Furnishings and Equipment: Establishes a new appropriation to purchase fixtures, furnishings and equipment (FF&E) for Fowler Creek Park. Examples of FF&E that will be purchased include a leaf body truck with a dump bed, and other various small equipment.	34,000	
	Ending Fund Balance: Decreases the Ending Fund Balance to reflect the net effect of the changes above.	(34,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		191,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Fields Feasibility Study	15,000	
	Yerba Buena/San Felipe Corner Park Improvement	175,000	
Rebudgets Subtotal		191,000	191,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #8 Total		191,000	191,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #9 (388)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		240,000
	Citywide Pool Assessment Feasibility Study	1,000	
	Community Sports Feasibility Study	15,000	
	Council District 9 Public Art	15,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #9 (388) (Cont'd.)			
Rebudgets (Cont'd.)			
	Pool Repairs	9,000	
	Samaritan Turnkey Park	200,000	
Rebudgets Subtotal		240,000	240,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #9 Total		240,000	240,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #10 (389)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		843,000
	Almaden Community Center Fixtures, Furnishings and Equipment	20,000	
	Community Sports Fields Feasibility Study	15,000	
	Council District 10 Public Art	30,000	
	Customer Response Projects	8,000	
	TRAIL: Guadalupe Creek (Meridian to Singletree) Land Acquisition	15,000	
	TRAIL: Guadalupe River Reach 12 - Atrium Spur	5,000	
	Youth Sports Fields Joint-Use Agreement	750,000	
Rebudgets Subtotal		843,000	843,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #10 Total		843,000	843,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund (390)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		1,043,000
	IT Costs - CIP Database Enhancement Project	19,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund (390) (Cont'd.)			
Rebudgets (Cont'd.)			
	Parks and Community Facilities Greenprint	224,000	
	Parks Fixtures, Furnishings and Equipment	800,000	
Rebudgets Subtotal		1,043,000	1,043,000
Construction Tax and Property Conveyance Tax Fund: Parks Purposes Central Fund Total		1,043,000	1,043,000
Construction and Conveyance Tax Fund: City-wide Parks Purposes (391)			
Clean-Ups			
	Guadalupe Gardens Community Garden: Establishes an appropriation for the Guadalupe Gardens Community Garden project and decreases the Reserve: Guadalupe Gardens Community Garden. This project will provide funding for the development, design and construction of a community garden at Guadalupe Gardens. Additional funding totaling \$170,000 is being allocated in the Park Trust Fund (see related item in the Park Trust Fund section of this document) for this project.	200,000	
	Reserve: Guadalupe Gardens Community Garden: Reduces the reserve for Guadalupe Gardens Community Garden. A related action establishes an active appropriation to begin the development and design of the Guadalupe Gardens Community Garden project.	(200,000)	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		9,550,000
	Alum Rock Park Penitencia Creek Entrance	6,000	
	Alum Rock Park Penitencia Creek Entrance Public Art	15,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction and Conveyance Tax Fund: City-wide Parks Purposes (391) (Cont'd.)			
Rebudgets (Cont'd.)			
	Alum Rock Park Penitencia Creek Trail Public Art	9,000	
	Alum Rock Park Service Yard Fixtures, Furnishings and Equipment	39,000	
	Alum Rock Park Waterline Relocation	715,000	
	City-wide Skateboard Park Development	270,000	
	Columbus Park Horseshoe Court	20,000	
	Community Sports Field Feasibility Study	15,000	
	Coyote Creek River Oaks (Highway 237 to Montague Expressway) Public Art	14,000	
	Family Camp Lease	45,000	
	Guadalupe Creek/Los Alamitos Connection Public Art	15,000	
	Guadalupe River Reach 12 Public Art	25,000	
	Guadalupe River/Coleman Road Bridge Public Art	17,000	
	Happy Hollow East Side Improvements	1,430,000	
	Happy Hollow/Kelley Park Miscellaneous Improvements	75,000	
	Happy Hollow Park and Zoo Phase II Renovations	2,584,000	
	Historic Homes - Overfelt House Public Art	15,000	
	Kelley Park East Picnic Grounds and Restroom	1,421,000	
	Kelley Park East Picnic Grounds and Restroom Public Art	29,000	
	Los Lagos Golf Course Enhancements	117,000	
	Los Lagos Golf Course Safety Improvements	1,000,000	
	Miyuki Dog Park	11,000	
	Monterey Highway Soccer Complex	120,000	
	Our City Forest Temporary Storage	10,000	
	Overfelt Garden Irrigation Renovation	715,000	
	Prusch Farm Park Service Yard	600,000	
	Paul Chaffee Grant: Happy Hollow Park and Zoo	248,000	248,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Construction and Conveyance Tax Fund: City-wide Parks Purposes (391) (Cont'd.)			
Rebudgets (Cont'd.)			
	Regional Park Call Boxes	65,000	
	TRAIL: Airport Parkway Under-Crossing	40,000	
	TRAIL: Call Boxes	15,000	
	TRAIL: Guadalupe River Reach 12	23,000	
	TRAIL: Penitencia Creek Trail/King Road Crossing	55,000	
	Vietnamese Cultural Heritage Garden	20,000	
Rebudgets Subtotal		9,798,000	9,798,000
Construction and Conveyance Tax Fund: City-wide Parks Purposes Total		9,798,000	9,798,000
Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes (398)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		876,000
	Alum Rock Park Maintenance Service Yard	25,000	
	Prusch Farm Park Service Yard	851,000	
Rebudgets Subtotal		876,000	876,000
Construction Tax and Property Conveyance Tax Fund: Parks Maintenance Yards Purposes Total		876,000	876,000
Lake Cunningham Fund (462)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		232,000
	Lake Water Management Plan	30,000	
	Perimeter Landscaping	202,000	
Rebudgets Subtotal		232,000	232,000
Lake Cunningham Fund Total		232,000	232,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Parks and Recreation Bond Projects Fund (471)			
Clean-Ups			
	Happy Hollow Park and Zoo Renovation and Improvements: The Proposed 2007-2008 Capital Budget included an additional allocation of \$1,065,000 from the Parks and Recreation Bond Projects Ending Fund Balance, to reduce the projects funding shortfall. This action returns this additional funding to the Ending Fund Balance in order to provide maximum flexibility with the remaining bond projects which include Happy Hollow Park and Zoo, soccer and softball complexes and the remaining community centers. At the conclusion of further analysis, staff will bring forward additional appropriation actions for this project, if necessary, for City Council consideration.	(1,065,000)	
	Ending Fund Balance: Increases the Ending Fund Balance to reflect the net effect of the changes above.	1,065,000	
Clean-Ups Subtotal		0	0
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		57,554,000
	Almaden Community Center - Multi-Service	1,350,000	
	Almaden Lake Park	100,000	
	Bascom Community Center - Multi-Service	1,420,000	
	Camden Community Center - Multi-Service	230,000	
	Emma Prusch Memorial Park	15,000	
	Happy Hollow Park and Zoo Renovation and Improvements	41,337,000	
	Mayfair Community Center - Multi-Service	10,540,000	
	Roosevelt Community Center - Multi-Service	1,420,000	
	Solari Community Center - Multi-Service	600,000	
	TRAIL: Coyote Creek (Tully Road to Los Lagos Golf Course)	75,000	
	TRAIL: Guadalupe River Trail Reach VI (Woz Way to Willow Street)	375,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)			
Parks and Recreation Bond Projects Fund (471) (Cont'd.)			
Rebudgets (Cont'd.)			
	TRAIL: Los Alamitos/Calero Creek	7,000	
	TRAIL: Saratoga/San Tomas Aquino Creek Reach VI	85,000	
Rebudgets Subtotal		57,554,000	57,554,000
Parks and Recreation Bond Projects Fund Total		57,554,000	57,554,000
PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM TOTAL		89,355,000	89,355,000
PUBLIC SAFETY CAPITAL PROGRAM			
Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes (392)			
Clean-Ups			
	2007-2008 Beginning Fund Balance/Records Management System: Increases the Records Management System appropriation to fund a third party consultant to assist with the implementation of the Records Management System project scheduled for completion in 2007-2008.	95,000	95,000
	2007-2008 Beginning Fund Balance/Fire Station 12 - Relocation (Calero): Decreases the Fire Station 12 - Relocation (Calero) appropriation by \$523,000. Additional funds were inadvertently added in the 2008-2012 Proposed CIP. This action will align the project with current estimated costs. A decrease in Beginning Fund Balance is recommended to offset this action.	(523,000)	(523,000)
Clean-Ups Subtotal		(428,000)	(428,000)

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PUBLIC SAFETY CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes (392) (Cont'd.)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		963,000
	Communications Hill Fire Station (Developer Contribution)	30,000	
	Computer Replacement Program	20,000	
	Decontamination Sinks	15,000	
	Emergency Response Maps	51,000	
	Fire Apparatus Replacement	350,000	
	Fire Station Air Conditioning	42,000	
	Fire Station Network Upgrades	70,000	
	Fire Station Privacy	10,000	
	Fire Training Center Repair	10,000	
	Heavy Rescue Airbags	11,000	
	Hose Replacement	15,000	
	Records Management System	70,000	
	Telecommunications Equipment	10,000	
	Telestaff Application Upgrades	25,000	
	Tools and Equipment	8,000	
	Traffic Control Equipment	26,000	
	Turnout Cleaning	179,000	
	Underground Fuel Tank Renovation/Replacement	21,000	
	Rebudgets Subtotal	963,000	963,000
Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes Total		535,000	535,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PUBLIC SAFETY CAPITAL PROGRAM (CONT'D.)			
Neighborhood Security Act Bond Fund (475)			
Clean-Ups			
	Beginning Fund Balance Adjustment: Increases the Beginning Fund Balance as a result of the actions described below.		215,000
	Fire Station 34 (Berryessa): Increases the Fire Station 34 (Berryessa) appropriation to address cost escalations. In the 2008-2012 Proposed CIP, the 2006-2007 cost estimate was increased by a total amount of \$165,000 to account for project cost escalations. Upon further review, the Department of Public Works has determined that \$150,000 is needed in 2007-2008, and \$15,000 in 2006-2007. A 2006-2007 clean-up action is also recommended, separate from this document, to reflect lower than previously anticipated 2006-2007 expenditures. An increase in Beginning Fund Balance (\$95,000) and decrease in the Contingency Reserve appropriation (\$55,000) is recommended to offset this action.	150,000	
	Fire Station Fire Station 35 (Cottle/Poughkeepsie): Increases the Fire Station 35 (Cottle/Poughkeepsie) appropriation to address cost escalations. In the 2008-2012 Proposed CIP, the 2006-2007 cost estimate was increased by a total amount of \$204,000 to account for project cost escalations. Upon further review, the Department of Public Works has determined that \$150,000 is needed in 2007-2008 and \$54,000 in 2006-2007. A 2006-2007 clean-up action is also recommended, separate from this document, to reflect lower than previously anticipated 2006-2007 expenditures. An increase in Beginning Fund Balance (\$120,000) and decrease in the Contingency Reserve appropriation (\$30,000) is recommended to offset this action.	150,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
PUBLIC SAFETY CAPITAL PROGRAM (CONT'D.)			
Neighborhood Security Act Bond Fund (475) (Cont'd.)			
Clean-Ups (Cont'd.)			
	Fire Station 25 - Relocation (Alviso): Increases the Fire Station 25 - Relocation (Alviso) appropriation to address higher than anticipated 2007-2008 expenditure estimates due to project cost escalations. A corresponding decrease to the Contingency Reserve appropriation is recommended to offset this action.	200,000	
	Contingency Reserve: Decreases the Contingency Reserve appropriation to offset the actions described above.	(285,000)	
Clean-Ups Subtotal		215,000	215,000
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		3,350,000
	Fire Station 12 - Relocation (Calero)	400,000	
	Fire Station 17 - Relocation (Cambrian)	400,000	
	Fire Station Upgrades	300,000	
	Fire Training Center	750,000	
	Land Acquisition - Fire Station	1,500,000	
Rebudgets Subtotal		3,350,000	3,350,000
Neighborhood Security Act Bond Fund Total		3,565,000	3,565,000
PUBLIC SAFETY CAPITAL PROGRAM TOTAL		4,100,000	4,100,000

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
REDEVELOPMENT AGENCY CITY-SIDE CAPITAL PROGRAM			
Services for Redevelopment Capital Projects Fund (450)			
Clean-Ups			
	Sanitary Sewer Improvements Phase II Project/Earned Revenue: Establish an appropriation to the Department of Public Works for the Sanitary Sewer Improvements Phase II project (PSM# 495) for preliminary engineering, design, and bid preparation for sanitary sewer improvements in the Gateway East SNI Redevelopment project area, Council District 5.	103,000	103,000
Clean-Ups Subtotal		103,000	103,000
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		2,654,274
	3rd and 4th streets Couplet Conversion	249,659	
	Art and Technology City Hall Lighting Plan	55,000	
	Civic Plaza Streetscape Project	27,947	
	Department of Public Works Real Estate Svcs - Alma Ave. Acquisition	15,000	
	Downtown Street Lighting Improvements	24,337	
	Eden Avenue Streetscape Improvement	45,000	
	Greater Gardner Street Reconstruction	70,000	
	Jeanne-Forestdale SNI Housing Rehabilitation Demonstration - Phase 1	250,000	
	Joint Library Public Art	2,240	
	Julian and St. James Phase 1B Couplet Conversion	750,000	
	Keyes Street/Greater Gardner Pedestrian Streetlight	70,000	
	Non-Project Specific Department of Public Works Services	15,991	
	North San José - Transportation Infrastructure	586,900	
	Office of Equality Assurance Audit Services	14,000	
	Paseo Plaza Public Art	60,600	
	Public Art Master Plan - Downtown Focus Plan	25,000	
	Reed Street Park	10,000	
	San Antonio Avenue Traffic Signal Modification	40,000	

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
REDEVELOPMENT AGENCY CITY-SIDE CAPITAL PROGRAM (CONT'D.)			
Services for Redevelopment Capital Projects Fund (450) (Cont'd.)			
Rebudgets (Cont'd.)			
	San José Grand Prix 2006 Design-RDA	10,000	
	School Access Improvements	6,000	
	Spartan Keyes Traffic Calming	6,000	
	Starbird Youth Center Public Art	37,600	
	Traffic Calming Improvements	7,000	
	TRAIL: Coyote Creek	140,000	
	Twohy Building Public Art	38,000	
	University Neighborhood Phase 2 Pedestrian Streetlight	75,000	
	Zanker Road Median Island Landscaping	23,000	
Rebudgets Subtotal		2,654,274	2,654,274
Services for Redevelopment Capital Projects Fund Total		2,757,274	2,757,274
REDEVELOPMENT AGENCY CITY-SIDE CAPITAL PROGRAM TOTAL		2,757,274	2,757,274
SANITARY SEWER SYSTEM CAPITAL PROGRAM			
Sanitary Sewer Connection Fee Fund (540)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		8,786,000
	Cheney Drive Sanitary Sewer Rehabilitation	350,000	
	IT Costs - CIP Database Enhancement Project	6,000	
	Edenvale Sanitary Sewer Supplement Phase VA and VB	8,240,000	
	Flow Monitoring Program (Master Planning)	50,000	
	Monterey-Riverside Supplement	140,000	
Rebudgets Subtotal		8,786,000	8,786,000
Sanitary Sewer Connection Fee Fund Total		8,786,000	8,786,000

CAPITAL FUNDS

<u>Fund</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
SANITARY SEWER SYSTEM CAPITAL PROGRAM (CONT'D.)			
Sewer Service and Use Charge Capital Improvement Fund (545)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		11,444,000
	60" Brick Interceptor, Phase VIA and VIB	50,000	
	84" RCP Interceptor, Phases VB, VIB, VII & VIIIA	1,000,000	
	Edenvale Sanitary Sewer Supplement Phase VA and VB	9,000,000	
	Flow Monitoring Program (Master Planning)	1,000,000	
	Forest-Rosa Sewer	10,000	
	Geographic Information System (GIS)	15,000	
	Hobson-Walnut Area	175,000	
	Hydrogen Peroxide Injection Station	164,000	
	Rosemary Area	30,000	
Rebudgets Subtotal		11,444,000	11,444,000
Sewer Service and Use Charge Capital Improvement Fund Total		11,444,000	11,444,000
SANITARY SEWER SYSTEM CAPITAL PROGRAM TOTAL		20,230,000	20,230,000

SERVICE YARDS CAPITAL PROGRAM

Construction Tax and Property Conveyance Tax Fund: Service Yards Purposes (395)

Clean-Ups

Beginning Fund Balance: A decrease to Beginning Fund Balance to reflect the acceleration of funding for the Archaeological and Environmental Issues at the Main Yard project into 2006-2007 as described on the following page.	(500,000)
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CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
SERVICE YARDS CAPITAL PROGRAM (CONT'D.)			
Construction Tax and Property Conveyance Tax Fund: Service Yards Purposes (395) (Cont'd.)			
Clean-Ups (Cont'd.)			
	Demolition and Cleanup of Main Yard: Eliminates funding totaling \$2,024,000 for the Demolition and Cleanup of the Main Yard project, included in the 2007-2008 Service Yards Proposed Capital Budget. However, because the San José Redevelopment Agency will be managing this project effective 2007-2008, this funding is recommended to be programmed as a Transfer of Funds to the San José Redevelopment Agency as described below.	(2,024,000)	
	Transfer of Funds to the San José Redevelopment Agency: Establishes a Transfer of Funds to the San José Redevelopment Agency for the Demolition and Cleanup of the Main Yard Project.	2,024,000	
	Archaeological and Environmental Issues at the Main Yard: Eliminates funding for the Archaeological and Environmental Issues at the Main Yard project, included in the Service Yards 2007-2008 Proposed Capital Budget. A request to accelerate funding for this project into 2006-2007 will be brought forward for City Council consideration on June 12, 2007.	(500,000)	
	Clean-Ups Subtotal	(500,000)	(500,000)
Construction Tax and Property Conveyance Tax Fund: Service Yards Purposes Total		(500,000)	(500,000)
SERVICE YARDS CAPITAL PROGRAM TOTAL		(500,000)	(500,000)

CAPITAL FUNDS

Fund	Appropriation	2007-2008 Use	2007-2008 Source
TRAFFIC CAPITAL PROGRAM			
Building & Structure Construction Tax Fund (429)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		5,513,000
	Bailey/Route 101 Improvements	80,000	
	Bascom Avenue Median Island Landscaping Maintenance	49,000	
	Bridge Mitigation Monitoring	82,000	
	Curb Accessibility Program	10,000	
	Curtner Avenue Widening	640,000	
	ITS: Regional Signal Coordination	53,000	
	ITS: Stevens Creek - West	2,171,000	
	Lucretia Avenue: Story to Phelan	15,000	
	Median Island Rehabilitation	36,000	
	Oakland Road: Route 101 to Montague	15,000	
	Quito Road: Saratoga to Bucknall	13,000	
	Regional Projects Right-of-Way Support	75,000	
	Route 101/Oakland Road Interchange Upgrade	22,000	
	Route 101: Tully/Capitol Interchange Upgrade	300,000	
	Senter Road: Tully to Singleton	180,000	
	Traffic Signals - Rehabilitation	700,000	
	Transportation Incident Management Center Communication Link	70,000	
	Union Avenue at Ross Creek	792,000	
	Willow Glen Way: Guadalupe River Bridge	200,000	
	Zanker Road Median Island Landscaping	10,000	
	Rebudgets Subtotal	5,513,000	5,513,000
Building & Structure Construction Tax Fund Total		5,513,000	5,513,000

CAPITAL FUNDS

<u>Fund</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
TRAFFIC CAPITAL PROGRAM (CONT'D.)			
Construction Excise Tax Fund (465)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		8,691,000
	Curb Accessibility Program	180,000	
	Land Management	55,000	
	Ortho Photo Project	215,000	
	Traffic Calming	780,000	
	Traffic Congestion Relief Program Payback - Street Maintenance	6,851,000	
	Traffic Safety Data Collection	280,000	
	Traffic Safety - School Walking Routes	135,000	
	Vendome Area and 7th Street Traffic Calming	195,000	
Rebudgets Subtotal		8,691,000	8,691,000
Construction Excise Tax Fund Total		8,691,000	8,691,000
TRAFFIC CAPITAL PROGRAM TOTAL		14,204,000	14,204,000
WATER POLLUTION CONTROL PLANT CAPITAL PROGRAM			
San José-Santa Clara Treatment Plant Capital Fund (512)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		17,842,000
	Alternative Disinfection	6,291,000	
	Fire Line Replacement	150,000	
	M5, Ring Buss and Cable Replacement	788,000	
	Plant Infrastructure Improvements	7,000,000	

CAPITAL FUNDS

<u>Fund</u>	<u>Appropriation</u>	<u>2007-2008 Use</u>	<u>2007-2008 Source</u>
WATER POLLUTION CONTROL PLANT CAPITAL PROGRAM (CONT'D.)			
San José-Santa Clara Treatment Plant Capital Fund (512) (Cont'd.)			
Rebudgets (Cont'd.)			
	WPCP Reliability Improvements	3,613,000	
Rebudgets Subtotal		17,842,000	17,842,000
San José-Santa Clara Treatment Plant Capital Fund Total		17,842,000	17,842,000
WATER POLLUTION CONTROL PLANT CAPITAL PROGRAM TOTAL		17,842,000	17,842,000
WATER UTILITY SYSTEM CAPITAL PROGRAM			
Water Utility Capital Fund (500)			
Rebudgets			
	Beginning Fund Balance Adjustment: Rebudgets		1,092,000
	Forestwood Drive Main Replacement	525,000	
	Infrastructure Improvements	100,000	
	North Coyote Valley Water System	70,000	
	Norwood Pump Station Replacement	20,000	
	Reservoir Seismic Retrofit	47,000	
	Security Improvement	190,000	
	Service Installations	70,000	
	Villa Vista Reservoir Rehabilitation	15,000	
	Water Valve Rehabilitation	55,000	
Rebudgets Subtotal		1,092,000	1,092,000
Water Utility Capital Fund Total		1,092,000	1,092,000
WATER UTILITY SYSTEM CAPITAL PROGRAM TOTAL		1,092,000	1,092,000

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: KENN LEE PRINCIPAL BUDGET ANALYST	FROM: SALVADOR C. ALVAREZ DEVELOPMENT OFFICER
SUBJECT: SEE BELOW	DATE: MAY 9, 2007

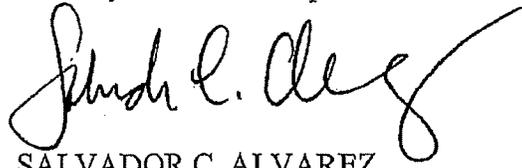
SUBJECT: DETERMINATION REGARDING FUNDS TRANSFERRED TO THE CITY FOR PUBLIC IMPROVEMENT PROJECT

The Redevelopment Agency has transferred \$103,000 to the Department of Public Works for the sanitary sewer inspection, mainline and lateral improvement project in the Gateway East neighborhood in the Strong Neighborhoods Initiative Redevelopment Project Area.

Section 33445 of the Redevelopment Law requires the City Council to make certain determinations with respect to publicly owned improvements funded by the Redevelopment Agency. The required findings are as follows:

1. The project includes the installation of City-approved, sanitary sewer mainlines, and Wye Cleanouts to prevent sanitary sewer backups. All work is within the Strong Neighborhoods Initiative Redevelopment Project Area.
2. This project is not currently included in the City's Capital Budget and there are no other reasonable means of financing the project. This project will be implemented in conjunction with the Community Development Block Grant (CDBG) program as matching funds in coordination with the East San Jose Phase III CIP Project.
3. Staff has determined that in specific locations the sanitary sewer mainlines are in poor condition and in need of replacement and the vast majority of homes in the neighborhood lack a City-approved Wye Clean-out each of which contributes to sewer back-ups in homes. The project will help eliminate blight by improving the health and welfare of the neighborhood residents by improving the overall flow of the sewer system away from their homes.
4. The implementation plan for the Strong Neighborhoods Initiative Redevelopment Project Area includes infrastructure improvements, including sanitary sewer improvements.

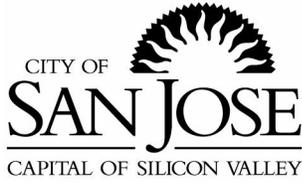
Please proceed to incorporate the necessary findings for the public project identified above into the a future City Council memo requesting Adoption of Appropriation Ordinance and Funding Sources Resolution Amendments to the City-side Redevelopment Fund.



SALVADOR C. ALVAREZ
Development Officer

Attachment

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



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

**SUBJECT: GENERAL FUND EXPENDITURES
GROWING FASTER THAN
PROJECTED REVENUES**

DATE: June 7, 2007

Approved /s/

Date 06/08/07

BACKGROUND

This memorandum is prepared in response to the Mayor's March Budget Message for 2007-2008 which directed the administration to identify all elements of General Fund projected expenditures that are growing faster than projected revenues.

ANALYSIS

To address this referral, the 2008-2012 General Fund Five-Year Forecast, which was released in February 2007, was analyzed to compare the projected growth rates of revenues and expenditures to determine which expenditure categories are expected to experience a rate of growth that outpaces revenue growth. On an overall basis, in each of the next five years, expenditure growth is projected to exceed revenue growth. As shown in the table below, the projected average total growth rate in revenues of 3.66% is not sufficient to meet the projected total expenditure growth rate of 4.52%.

**2008-2012 General Fund Forecast
Projected Revenue and Expenditure Growth**

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
Revenue % Growth*	2.97%	4.11%	3.80%	3.74%	3.66%
Expenditure % Growth**	5.31%	4.80%	3.81%	4.15%	4.52%

* Excludes Beginning Fund Balance. Assumes continuation of the Emergency Communication System Support Fee (ECSS) in 2010-2011. Actual 2008-2012 General Fund Forecast document published for that year actually reflects 0.90% growth due to the assumption of an ECSS Fee Sunset.

** Includes Committed Additions (expenses associated with maintaining and operating new public facilities)

When the expenditure trends were broken out and analyzed by category, as summarized in the table below and discussed in detail in Attachment A, it was determined that half of the expenditure categories (Personal Services, Capital Projects, Contingency Reserve, and Committed Additions) have projected average growth rates that exceed the average revenue growth rate over the next five years. The remaining expenditure categories (Non-Personal/Equipment, City-Wide Expenses, Transfers, and Earmarked Reserves) have projected average growth rates that are below the average revenue growth rate over that same period.

**2008-2012 General Fund Forecast
 Comparison of Projected Revenue and Expenditure Growth by Category**

	<u>2008-2009</u>	<u>2009-2010*</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
Revenue Growth	2.97%	4.11%	3.80%	3.74%	3.66%
Expenditure Categories Growing Faster Than Revenue Growth					
Personal Services	5.45%	4.38%	4.41%	4.43%	4.67%
Capital Projects	48.49%	0.60%	3.92%	3.77%	14.12%
Contingency Reserve	4.80%	4.36%	3.47%	3.80%	4.11%
Committed Additions	231.21%	82.47%	49.78%	9.46%	93.23%
Expenditure Categories Growing Slower Than Revenue Growth					
Non-Personal/Equipment	0.00%	6.21%	(1.04%)	3.41%	2.15%
City-Wide Expenses	2.59%	2.04%	2.07%	2.15%	2.21%
Transfers	4.15%	0.00%	(8.20%)	2.59%	(0.37%)
Earmarked Reserves	0.00%	0.00%	0.00%	0.00%	0.00%

As expected, our analysis indicates that Personal Services costs, which account for approximately two-thirds of the General Fund Budget, are the largest factor driving expenditure growth to levels exceeding revenue growth rates, and is therefore the primary driver of the forecasts for continued shortfalls for the next few years in the Forecast. In the Forecast, Personal Services costs are broken down into three major components (Salaries and Other Compensation, Retirement, and Health and Other Fringe Benefits). Factors that impact this expenditure category include scheduled step increases, negotiated salary cost-of living and benefit adjustments, and retirement plan actuarial studies. The Committed Additions line item deals with the additional operating maintenance cost obligations associated with in progress or planned capital improvement projects (e.g. Fire Stations, Branch Libraries, Park Community Centers). This category is the second most significant driver, at least for the next four years, of continued shortfall projections. With the addition of new libraries, community centers, and public safety facilities funded by General Obligation Bonds, the Committed Addition line item reflects significantly larger growth than would typically be anticipated. Once the General Obligation

HONORABLE MAYOR AND COUNCIL

June 7, 2007

Subject: GENERAL FUND EXPENDITURES GROWING FASTER THAN PROJECTED REVENUES

Page 3

Bond projects are completed, the growth rate in this category is expected to decline significantly. Since the Contingency Reserve is calculated at 3% of projected General Fund expenditures, this category will exceed the projected revenue growth as long as the overall expenditures are exceeding revenue growth. The last four categories (Non-Personal/Equipment, City-Wide Expenses, Transfers, and Earmarked Reserves) are expected to grow at a slower rate than revenue growth, helping to partially offset the impact of those expenditure categories that are growing at a faster rate.

Additional detail on each expenditure category is provided in Attachment A, including the growth by fiscal year, the average growth over the five-year period, a brief discussion of the assumptions that were used in the development of the 2008-2012 General Fund Forecast, and the identification of key drivers in particular expenditure categories.

As discussed in the 2008-2012 General Fund Forecast, caution is in order when considering the significance of the revenue and expenditure projections. Given the decreasing level of precision to be expected in the later years of a multi-year forecast, the projections in the out years should be considered in terms of the relative size of the decrease or increase from the prior year. This information helps provide a multi-year perspective to budgetary decision-making and identifies trends. It should not, however, be considered a precise prediction of what will occur. The assumptions in the out-years of the forecast will be thoroughly analyzed and updated for the preliminary forecast that will be released next fall and the final 2009-2012 Forecast that will be released in winter 2008.

/s/

LARRY D. LIENBEE
Budget Director

Attachment

ELEMENTS OF THE BASE GENERAL FUND FORECASTED REVENUES AND EXPENDITURES

The following data from the 2008-2012 General Fund Five-Year Forecast was used to compare the projected growth rates of revenues and expenditures to determine which expenditure categories are expected to experience a rate of growth that outpaces revenue growth. The projected revenue and expenditure growth by year, the average growth over the five-year period, and a discussion of each expenditure category are provided below.

GENERAL FUND REVENUES

As shown in the table below, General Fund revenues are expected to increase an average of 3.66% per year over the next five years.

2008-2012 General Fund Forecast Revenue Growth (Excludes Beginning Fund Balance)

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010*</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
779,748,000	802,872,000	835,875,000	867,638,000	900,088,000	
% Growth	2.97%	4.11%	3.80%	3.74%	3.66%

* Assumes continuation of the Emergency Communication System Support Fee (ECSS).

GENERAL FUND EXPENDITURES

Expenditure growth, as shown in the table below, is expected to increase an average of 4.52% per year over the next five years. In each year of the Forecast, expenditure growth is projected to exceed revenue growth.

2008-2012 General Fund Forecast Expenditure Growth (Includes Committed Additions)

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010*</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
846,957,000	891,909,000	934,704,000	970,309,000	1,010,608,000	
% Growth	5.31%	4.80%	3.81%	4.15%	4.52%

General Fund Expenditures can be broken down into several broad categories. These categories include: Personal Services, Non-Personal/Equipment, Capital Projects, City-Wide Expenses, Transfers, Earmarked Reserves, Contingency Reserve and Committed Additions. The categories in which expenditure growth is projected to exceed revenue growth include: Personal Services, Capital Projects, Contingency Reserve, and Committed Additions. Following is a discussion of each category, broken down by those in which expenditure growth is projected to grow faster than revenue growth and those in which expenditure growth is projected to growth slower than revenue growth.

GENERAL FUND EXPENDITURES (CONT'D.)

Expenditure Categories Growing Faster Than Revenue Growth**Personal Services**

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
614,127,000	647,610,000	675,988,000	705,768,000	737,029,000	
% Growth	5.45%	4.38%	4.41%	4.43%	4.67%

In the 2008-2012 Five-Year Forecast, Personal Services costs increase from \$614.1 million in 2007-2008 to \$737.0 million in 2011-2012, for an average growth rate of 4.67%. In our system, Personal Services costs are broken down into three major components (Salaries and Other Compensation, Retirement, and Health and Other Fringe Benefits).

In the Forecast, *Salaries and Other Compensation and Retirement* costs are adjusted for scheduled step increases and anticipated negotiated salary cost-of-living (COLA) and benefit adjustments. The actual average growth rate for step increases in 2007-2008 is projected to be 1.3%. As required by our civil service rules, step increases are provided for non-management employees annually who have not reached the top step in their classification. All four out years of the forecast include this projected 1.3% increase. In addition, assumptions for negotiated salary compensation and benefit increases and assumptions for future increases have been included.

Retirement costs in the Forecast have only been adjusted for the impact of step increases and COLAs. Every two years, an actuarial study is completed on the City's two retirement systems, Federated and Police and Fire. The latest actuarial studies were completed in 2005-2006 and new rates were implemented for 2006-2007 and 2007-2008. The Police and Fire Retirement Plan was updated in 2006-2007 to reflect the impact of increased benefits negotiated for members of the San José Police Officers Association. Actuarial studies are expected in 2007-2008 to develop revised retirement contribution rates, effective in 2008-2009 and 2009-2010. Due to the volatility of retirement rates, however, no retirement rate contribution adjustments for this biennial activity have been assumed during this forecast period. As an indication of how volatile rates are in this category, Federated Retirement rates decreased 12.6% in 2002, increased 12.6% in 2004 and increased 28.4% in 2006. Police and Fire Retirement rates decreased 9.4% in 2002, increased 72.9% in 2004 and increased 2.6% in 2006.

Health and Other Fringe Benefit cost increases have been projected in each year of the Forecast. In 2007-2008, a 12% increase to the City's contribution for employee health care has been assumed. An 11% increase in each of the remaining four out years of the 2008-2012 Forecast has also been included. In the Other Fringe Benefits category (dental, unemployment insurance, employee assistance program), an annual increase of 4% is assumed in all forecast years. These increases include the continuation of the cost-sharing formulas already implemented for health and dental benefits.

GENERAL FUND EXPENDITURES (CONT'D.)

Expenditure Categories Growing Faster Than Revenue Growth (Cont'd.)

Capital Projects

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
3,914,000	5,812,000	5,847,000	6,076,000	6,305,000	
% Growth	48.49%	0.60%	3.92%	3.77%	14.12%

The Capital Projects category increases from \$3.9 million in 2007-2008 to \$6.3 million in 2011-2012, for an average growth rate of 14.12%. The large increase in 2008-2009 reflects the assumption that the General Fund will resume paying the debt service for Central Service Yard Phase I and the annual contribution to the Fire Apparatus Replacement and Repair line item. These items have been supported by other funding sources in recent years as a budget-balancing strategy. Factoring out that adjustment, the growth in this category is very close to the projected revenue growth. In years 4 and 5 of the Forecast, it is also assumed that an additional \$200,000 annually will be necessary to support the Fire Apparatus Replacement and Repair project in order to provide sufficient resources to meet the replacement schedules for fire apparatus.

Contingency Reserve

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
27,290,000	28,599,000	29,846,000	30,883,000	32,057,000	
% Growth	4.80%	4.36%	3.47%	3.80%	4.11%

The Contingency Reserve category increases from \$27.3 million in 2007-2008 to \$32.1 million in 2011-2012, for an average growth rate of 4.11%. Per City Council policy, the Contingency Reserve is projected at the level necessary to comply with the City Council policy to maintain a 3% Contingency Reserve. Growth in this category will mirror growth in the remaining expenditure categories.

Committed Additions

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
2,150,000	7,121,000	12,994,000	19,463,000	21,305,000	
% Growth	231.21%	82.47%	49.78%	9.46%	93.23%

Committed additions include those expenditures to which the City is considered to be committed by previous Council direction and has less, or in some cases no discretion, such as debt service payments and operating and maintenance costs for capital projects scheduled to come on-line during the forecast period. Committed Addition costs are projected to increase from \$2.2 million in 2007-2008 to \$21.3 million in 2011-2012. This includes the expenses associated with new street improvements, parks, community centers, libraries, and public safety facilities. With the approval of the parks and recreation, library, and public safety bond measures, there has been a significant increase in the number of new facilities coming on-line. Once the bond projects are completed, growth in this category is expected to decline significantly.

GENERAL FUND EXPENDITURES (CONT'D.)**Expenditure Categories Growing Slower Than Revenue Growth****Non-Personal/Equipment**

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
90,604,000	90,618,000	96,254,000	95,258,000	98,508,000	
% Growth	0.00%	6.21%	(1.04%)	3.41%	2.15%

In the 2008-2012 Forecast, Non-Personal/Equipment costs increase from \$90.6 million in 2007-2008 to \$98.5 million in 2011-2012, for an average growth rate of 2.15%. While the overall growth rate in this category is below the average rate of revenue growth, there are several elements that are very volatile. These include the replacement of the police fleet, vehicle maintenance and operations costs, and gas and electricity costs. Replacement schedules for the marked, covert and unmarked Police fleet range in the five-year period from an increased need of \$2.0 million in 2009-2010 to a reduced need of \$1.8 million in 2008-2009. The costs to maintain and operate the City's fleet have risen dramatically due to the current volatility in the cost of fuel. Gas and electric costs to heat and cool City facilities are projected to increase at rates greater than revenue growth during the forecast period.

City-Wide Expenses

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
77,845,000	79,858,000	81,488,000	83,176,000	84,964,000	
% Growth	2.59%	2.04%	2.07%	2.15%	2.21%

In the 2008-2012 Forecast, City-Wide Expenses costs increase from \$77.8 million in 2007-2008 to \$85.0 million in 2011-2012, for an average growth rate of 2.21%. Even though overall this category's rate of growth is below the rate of revenue growth, there are three significant elements of this category that have been projected to grow at a level greater than the average growth rate for revenues. These include Workers' Compensation Claims Payments, Sick Leave Payments Upon Retirement and Debt Service Payments for FMC Property. Workers' Compensation Claims Payments range from \$16.4 million in 2007-2008 to \$20.3 million in 2011-2012. A portion of these cost increases is directly tied to the cost increases for salary compensation. The remainder of these cost increases is linked to the rising costs within the health care industry. Sick Leave Payments Upon Retirement expenditures have been included at \$8.2 million in 2007-2008 and increase to \$9.6 million in 2011-2012. These payments are also directly tied to the increases assumed for salary compensation increases. Debt Service Payments for FMC are \$7.4 million in 2007-2008 and increase to \$7.8 million in years 2 through 5 to reflect the actual debt service payment schedule.

GENERAL FUND EXPENDITURES (CONT'D.)

Expenditure Categories Growing Slower Than Revenue Growth (Cont'd.)

Transfers

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
30,477,000	31,741,000	31,737,000	29,135,000	29,890,000	
% Growth	4.15%	0.00%	(8.20%)	2.59%	(0.37%)

In the 2008-2012 Forecast, Transfer costs, whose payments are generally determined by separate schedules unrelated to the growth of revenues or other expenditures in the General Fund, decrease from \$30.5 million in 2007-2008 to \$29.9 million in 2011-2012. There are three significant adjustments in this category over the forecast period: San José Arena Management Agreement capital costs, debt service payments for the City Hall Employee Parking Garage, and completion of debt service payments for the Communications Center. Per the existing agreement with the San José Arena Management, two transfers totaling \$1.25 million annually (\$750,000 to the Arena Reserve Fund and \$500,000 to the Arena Enhancement Fund) are required beginning in 2008-2009. The transfer to the City Hall Debt Service Fund in 2007-2008 is \$18.8 million and is projected to increase to \$20.8 million in years 2 through 4, which is a 10% increase in that line item in year 2. This increase is due to the annualization of the debt service payment for the employee parking garage. Offsetting these increases is the elimination of the transfer for the Communications Center Debt Service Payment. The final debt service payment for the Communications Center of \$2.4 million is scheduled in 2009-2010.

Earmarked Reserves

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Average Growth</u>
550,000	550,000	550,000	550,000	550,000	
% Growth	0.00%	0.00%	0.00%	0.00%	0.00%

In the 2008-2012 Forecast, Earmarked Reserve costs remain at \$550,000 throughout the five years. These costs include an allocation for the Comprehensive General Plan Update (\$200,000), which is entirely offset by revenues collected from a surcharge on development permits, and allocations for Equipment (\$100,000) and Computer Equipment and Automation Projects (\$250,000) for subsequent allocation during the Proposed Budget process.



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry D. Lisenbee

SUBJECT: ADOPTION OF THE 2007-2008
OPERATING AND CAPITAL
BUDGETS

DATE: June 15, 2007

Approved

Ray Winer

Date

6/15/07

On Tuesday, June 19, 2007, the City Council is scheduled to adopt an Appropriation Ordinance and Funding Sources Resolution establishing the 2007-2008 Operating and Capital Budgets. The ordinance and resolution have been prepared based on the amounts included in the 2007-2008 Proposed Budget, except where amended by the *Mayor's June Budget Message for Fiscal Year 2007-2008* memorandum that was approved, with modifications, by the City Council on June 12, 2007.

To verify and document changes to the Proposed Budget that have been incorporated in the ordinance and resolution, the attached set of revised Source and Use Statements have been prepared for all funds where revisions to the published 2007-2008 Proposed Operating and Capital Budgets have been recommended.

LARRY D. LISENBEE
Director, Budget Office
408-535-8144

2007-2008
Revised Source and Use of Funds Statements

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2007-2008
Revised Source and Use of Funds Statements
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540	Sanitary Sewer Connection Fee Fund	79
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2007-2008
Revised Source and Use of Funds Statements
(Alphabetical Listing)

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533	General Purpose Parking Fund	37

2007-2008
Revised Source and Use of Funds Statements
(Alphabetical Listing)
(Cont'd.)

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450	Redevelopment Capital Projects Fund	63-64
301	San José Arena Enhancement Fund	18
512	San José/Santa Clara Treatment Plant Capital Fund	73
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540	Sanitary Sewer Connection Fee Fund	79
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417	State Drug Forfeiture Fund	20
446	Storm Sewer Operating Fund	30
375	Subdivision Park Trust Fund	40-42
414	Supplemental Law Enforcement Services (SLES) Fund	19
461	Transient Occupancy Tax Fund	32
500	Water Utility Capital Fund	72
515	Water Utility Fund	35

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

GENERAL FUND (001)

		CHANGES	TOTALS
Total Source of Funds Per Proposed Budget (Page III-1)		\$	896,224,134
Source of Funds Incremental Change			
Fund Balance			
Carryover: Rebudgets	MBA 36	\$ 44,935,496	
Carryover: Unexpended Earmarked Reserves	MBA 36	78,406,659	
Carryover: Rebudgets	Mayor Msg	1,806,332	
Carryover: Council General Savings	Mayor Msg	400,000	125,548,487
Property Tax			
Reduce SB 813 Property Tax revenue estimate to reflect current trends	MBA 34	(500,000)	(500,000)
Utility Tax			
Reduce Electric (\$200,000) and Telephone (\$100,000) Utility Tax estimates to reflect current collection trends	MBA 34	(300,000)	(300,000)
Fines and Forfeitures			
Increase the Parking Fines revenue estimate due to increased enforcement associated with new Parking and Traffic Control Officers	MBA 32	513,000	513,000
Revenue from Local Agencies			
Rebudget: Hazardous Materials Consent Judgement	MBA 36	71,000	
Technical Adj: RDA Reimb. for Mayor/Council	MBA 36	6,990	77,990
Revenue from the State of California			
Rebudget: OTS 2004-07 DUI/Seat Belt Safety Program	MBA 36	178,286	
Rebudget: OTS Safety Checkpoint Mini-Grant	MBA 36	30,856	
Technical Adj: Waste Tire Enforcement Program	MBA 36	230,750	439,892
Revenue from the Federal Government			
Rebudget: 2005 Urban Area Security Initiative (UASI) Grant	MBA 36	447,944	
Rebudget: 2005-2008 Human Trafficking Prevention Grant	MBA 36	85,000	
Rebudget: 2006 Super UASI-OES	MBA 36	1,000,000	
Rebudget: 2006 Super UASI-Police	MBA 36	11,197	
Rebudget: Emergency Management Performance Grant	MBA 36	129,292	
Rebudget: Internet Crimes Against Children	MBA 36	220,000	
Rebudget: Juvenile Justice and Delinquency Prevention Grant	MBA 36	103,597	
Rebudget: Metropolitan Medical Response System Grant	MBA 36	232,330	
Rebudget: Smart Start Neighborhood Centers	MBA 36	39,775	
Rebudget: Weed and Seed-East San José (Seeding)	MBA 36	36,692	
Rebudget: COPS 2003-2004 Interoperable Commun. Grant	MBA 36	3,692,162	
Technical Adj: FBI - South Bay Human Trafficking Task Force	MBA 36	15,573	
Technical Adj: FBI - Silicon Valley Computer Forensic Lab	MBA 36	15,573	
Technical Adj: Human Trafficking Prevention Grant	MBA 36	75,000	
Technical Adj: Super UASI Management Team (Police)	MBA 36	38,813	6,142,948

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

Source of Funds Incremental Change (Cont'd.)	CHANGES	TOTALS
Other Revenue		
Rebudget: Coyote Valley Specific Plan and EIR	MBA 36 2,006,000	
Rebudget: Nike Animal Rescue Foundation	MBA 36 49,263	
Rebudget: Public Art in Private Development	MBA 36 136,000	
Technical Adj: PG&E Energy Watch Program	MBA 36 183,786	
Technical Adj: Banking Services	MBA 36 230,000	2,605,049
Transfers and Reimbursements		
Increase Airport Operations and Maintenance Fund overhead based on final overhead rate	MBA 34 1,028,000	1,028,000
Subtotal of Incremental Adjustments		\$ 135,555,366
REVISED TOTAL SOURCE OF FUNDS		\$ 1,031,779,500

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

GENERAL FUND (001)

		CHANGES	TOTALS
		\$	896,224,134
Total Use of Funds Per Proposed Budget (Page III-4)			
Use of Funds Incremental Change			
City Attorney			
Increase Non-Personal/Equipment to support Sunshine Reforms (funding reallocated from City-Wide Expenses)	MBA 6	50,000	
Rebudget: Non-Personal/Equipment - Standard Specifications Project Contract	MBA 36	100,000	150,000
City Clerk			
Add 1.0 Analyst position and Personal Services funding to support Sunshine Reforms (funding reallocated from City-Wide Expenses)	MBA 6	91,400	
Add Non-Personal/Equipment funding to support Sunshine Reforms (funding reallocated from City-Wide Expenses)	MBA 6	25,000	
Rebudget: Non-Personal/Equipment - Technology	MBA 36	45,000	
Reinstate 1.0 Senior Office Specialist and increase Personal Services	Mayor Msg	68,757	230,157
City Manager's Office			
Add 1.0 Video/Multimedia Producer and 1.0 Administrative Manager to support Sunshine Reforms and increase Personal Services (funding reallocated from City-Wide Expenses)	MBA 6	226,100	
Increase Non-Personal/Equipment to support Sunshine Reforms, including website evaluation (funding reallocated from City-Wide Expenses)	MBA 6	350,000	
Rebudget: Personal Services - City Manager Projects	MBA 36	100,000	
Rebudget: Non-Personal/Equipment - City Manager Projects	MBA 36	100,000	
Decrease Non-Personal/Equipment to reallocate Sunshine Reforms website evaluation funding to a Sunshine Reform Reserve	Mayor Msg	(250,000)	526,100
Economic Development			
Rebudget: Non-Personal/Equipment - Cultural Affairs Activities	MBA 36	47,630	47,630
Environmental Services			
Rebudget: Personal Services - Energy Watch Grant	MBA 36	19,899	
Rebudget: Non-Personal/Equipment - Energy Watch Grant	MBA 36	95,000	
Rebudget: Non-Personal/Equipment - Silicon Valley Energy Program Grant	MBA 36	36,687	
Technical Adj: Personal Services-Energy Watch Program	MBA 36	85,219	
Technical Adj: Non-Personal/Equip-Energy Watch Program	MBA 36	98,567	335,372
Finance			
Technical Adj: Decrease Non-Personal/Equipment-transfer remaining funding for Risk Mgmt. to Human Resources	MBA 36	(11,000)	(11,000)
Fire			
Rebudget: Personal Services - Fire Engineer Academy	MBA 36	233,600	233,600

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
General Services		
Increase Non-Personal/Equipment funding to support Sunshine Reforms	MBA 6 20,000	
Technical Adj: Non-Personal/Equip.-Maintain New Facilities Coming On-Line in 2007-2008 (Shifted from PRNS)	MBA 36 7,000	27,000
Human Resources		
Rebudget: Personal Services - City-Wide Testing	MBA 36 20,000	
Rebudget: Non-Personal/Equipment - Workforce Planning	MBA 36 115,000	
Technical Adj: Increase Non-Personal/Equipment-transfer remaining funding for Risk Mgmt. from Finance	MBA 36 11,000	146,000
Independent Police Auditor		
Technical Adj: Personal Services - Increase to Prevent Cost Overrun in 2007-2008	MBA 36 26,000	26,000
Information Technology		
Increase Non-Personal/Equipment funding to support Sunshine Reforms	MBA 6 367,500	
Rebudget: Non-Personal/Equipment - Technology Improvements	MBA 36 4,522	372,022
Library		
Rebudget: Non-Personal/Equipment - Early Care and Lifelong Literacy	MBA 36 425,000	
Rebudget: Library Grants - Staff Education and Let's Talk About It	MBA 36 3,600	428,600
Mayor and City Council		
Rebudget: Mayor's Office	Mayor Msg 500,000	
Rebudget: Council General	Mayor Msg 401,140	
Rebudget: Council District 1	Mayor Msg 97,721	
Rebudget: Council District 2	Mayor Msg 174,155	
Rebudget: Council District 3	Mayor Msg 9,000	
Rebudget: Council District 4	Mayor Msg 91,580	
Rebudget: Council District 5	Mayor Msg 92,620	
Rebudget: Council District 6	Mayor Msg 60,600	
Rebudget: Council District 7	Mayor Msg 85,300	
Rebudget: Council District 8	Mayor Msg 55,761	
Rebudget: Council District 9	Mayor Msg 131,686	
Rebudget: Council District 10	Mayor Msg 106,769	
Technical Adj: Mayor's Office-Correct Budget Error	MBA 36 (100,618)	
Technical Adj: Council General-Correct Budget Error	MBA 36 (21,813)	
Technical Adj: Council Districts - Correct Budget Error	MBA 36 150,391	1,834,292

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
Parks, Recreation and Neighborhood Services		
Technical Adj: Non-Personal/Equipment-shift funding to maintain new facilities to General Services	MBA 36	(7,000)
Rebudget: Personal Services - Happy Hollow Capital Campaign	MBA 36	1,911
Add 0.5 Youth Outreach Worker II PT position and increase Personal Services to support the Youth Commission	Mayor Msg	27,444
Eliminate 1.0 Groundskeeper and 1.0 Groundswoker positions and reduce Personal Services - shift a portion of the additional resources allocated to parks maintenance as part of the Parks Maintenance Enhancement Strategy to a City-Wide Public-Private Parks Maintenance Partnership allocation	Council Rev *	(133,000)
Reduce Non-Personal/Equipment - shift a portion of the additional resources allocated to parks maintenance as part of the Parks Maintenance Enhancement Strategy to a City-Wide Public-Private Parks Maintenance Partnership allocation	Council Rev *	(200,000)
		(310,645)
Planning, Building and Code Enforcement		
Continue 1.0 Office Specialist, 1.0 Geographic Systems Specialist, 2.0 Planner, 1.0 Senior Planner, and 2.0 Principal Planner positions in PBCE from June 30, 2007 to December 31, 2007 for Coyote Valley Specific Plan and EIR	MBA 36	-
Rebudget: Non-Personal/Equipment - Development Services	MBA 36	751,000
Rebudget: Non-Personal/Equipment - Tow Rate Study, Neighborhood Revitalization, General Plan Update, VAX conversion, Code Enforcement fee-funded vehicles	MBA 36	334,000
Technical Adj: Add 1.0 Environmental Inspector II position and increase Personal Services-establish a grant-funded waste tire enforcement program	MBA 36	168,980
Technical Adj: Non-Personal/Equipment-establish a grant-funded waste tire enforcement program	MBA 36	40,800
Decrease Non-Personal/Equipment to defund consultant review of permitting process; these funds will be returned to the Building and Planning Fee Reserves	Mayor Msg	(200,000)
Reinstate 2.0 Planner II positions on a one-time basis and increase Personal Services (not fee-supported)	Mayor Msg	199,900
		1,294,680
Police		
Rebudget: Personal Services - July 2007 Recruit Academy	MBA 36	1,300,000
Rebudget: Non-Personal/Equipment - Build-up for 3 marked vehicles, Child Interview Center, PAB improvements, safety equipment for 10 new officers	MBA 36	558,839
Technical Adj: Personal Services-Add overtime funding for the South Bay Human Trafficking/Smuggling Task Force	MBA 36	15,573
Technical Adj: Personal Services-Add overtime funding for the Silicon Valley Regional Computer Forensic Lab	MBA 36	15,573

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
Police (Cont'd.)		
Reinstate 1.0 Crime Prevention Specialist and 1.0 Police Sergeant positions to the Neighborhood Watch Program, eliminate 1.0 of the 15.0 new Police Officer positions to support the Police Sergeant position, and increase Personal Services	Mayor Msg 83,000	1,972,985
Transportation		
Add 2.0 Parking and Traffic Control Officer (PTCO) positions and transfer 2.84 FTE (portions of three PTCOs and one Senior PTCO) from the General Purpose Parking Fund; and increase the Personal Services appropriation to support the School Area Parking Compliance Team	MBA 32 315,000	
Increase the Non-Personal/Equipment allocation to support the School Area Parking Compliance Team	MBA 32 132,000	447,000
City-Wide		
City Outreach and Education Efforts - reduce allocation to fund a portion of the Video/Multimedia Producer position added to support Sunshine Reform	MBA 6 (30,000)	
Sunshine Reforms - eliminates City-Wide Expenses line-item and allocates funds to various departments to implement Sunshine Reforms	MBA 6 (1,100,000)	
Establish a Technology Hardware Replacement appropriation by allocating the Technology Reserve	MBA 13 600,000	
Establish a Technology Legacy Applications Migration appropriation by allocating the Technology Reserve	MBA 13 1,400,000	
Increase the Parking Citations Processing appropriation to support increased citations generated from additional Parking and Traffic Control Officers	MBA 32 21,000	
Increase the Parking Citations/Jail Courthouse Fees appropriation to support increased activity generated from additional Parking and Traffic Control Officers	MBA 32 45,000	
Rebudget: 2000-2001 California Law Enforcement Equipment Program Grant	MBA 36 83,643	
Rebudget: 2001-2002 California Law Enforcement Equipment Program Grant	MBA 36 80,685	
Rebudget: 2002-2003 California Law Enforcement Equipment Program Grant	MBA 36 2,068	
Rebudget: 2005 Urban Area Security Initiative Grant	MBA 36 447,944	
Rebudget: 2005-2008 Human Trafficking Prevention Grant	MBA 36 85,000	
Rebudget: 2006 Super UASI-OES	MBA 36 1,000,000	
Rebudget: 2006 Super UASI-Police	MBA 36 11,197	
Rebudget: Airport West Property Development	MBA 36 116,000	
Rebudget: Alviso Historical Markers	MBA 36 4,021	
Rebudget: Animal Care and Services Program	MBA 36 463,260	
Rebudget: Annual Audit	MBA 36 356,142	

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

Use of Funds Incremental Change (Cont'd.)		CHANGES	TOTALS
City-Wide (Cont'd.)			
Rebudget: Arena Community Fund	MBA 36	242,628	
Rebudget: Arts Stabilization Loan Fund	MBA 36	3,166,000	
Rebudget: Arts Venture Fund	MBA 36	197,000	
Rebudget: Assistant City Clerk Recruitment	MBA 36	10,320	
Rebudget: Automated Fingerprint Identification System	MBA 36	502,624	
Rebudget: Automated Fingerprint Identification System Phase III	MBA 36	169,237	
Rebudget: Block 3 Public Art	MBA 36	13,426	
Rebudget: Budget and Retirement Directors Recruitment	MBA 36	25,240	
Rebudget: City Charter Review	MBA 36	250,000	
Rebudget: City Hall Interim Parking	MBA 36	55,047	
Rebudget: City Hall Retail Space	MBA 36	800,000	
Rebudget: City Outreach and Education Efforts	MBA 36	160,000	
Rebudget: City Volunteer Background Checks	MBA 36	10,000	
Rebudget: City-Owned Property Database	MBA 36	110,000	
Rebudget: City-Wide Broadband Network	MBA 36	50,000	
Rebudget: Comcast Negotiation	MBA 36	90,000	
Rebudget: Comprehensive General Plan Update	MBA 36	875,387	
Rebudget: Computer Systems Master Plan	MBA 36	119,144	
Rebudget: Contractual Street Tree Planting	MBA 36	235,057	
Rebudget: Council Member Transition Funds	MBA 36	42,844	
Rebudget: Coyote Valley Specific Plan and EIR	MBA 36	2,006,000	
Rebudget: Crimestoppers	MBA 36	30,000	
Rebudget: Destination Event Marketing	MBA 36	197,831	
Rebudget: Domestic Violence Prevention Program	MBA 36	661,859	
Rebudget: e-Government Implementation Project	MBA 36	23,000	
Rebudget: Elections Commission	MBA 36	37,387	
Rebudget: Elections Commission Audit	MBA 36	20,000	
Rebudget: Emergency Management Performance Grant	MBA 36	129,292	
Rebudget: Emergency Response and Preparedness	MBA 36	500,000	
Rebudget: Energy/Fuel Usage	MBA 36	270,811	
Rebudget: Enterprise Content Management System	MBA 36	500,000	
Rebudget: Female Gang Intervention Program	MBA 36	20,440	
Rebudget: Firewall and Detection Capabilities	MBA 36	48,000	
Rebudget: FMC Site Operating Costs	MBA 36	200,000	
Rebudget: General Fund Structural Deficit Task Force	MBA 36	250,000	
Rebudget: General Liability Claims	MBA 36	6,500,000	
Rebudget: Geographic Information System Integration	MBA 36	34,928	
Rebudget: Hazardous Materials Consent Judgment	MBA 36	142,400	
Rebudget: Historic Preservation	MBA 36	156,150	
Rebudget: Hoffman/Via Monte Neighborhood Youth Center	MBA 36	616,845	
Rebudget: Human Resources Peoplesoft Hiring Module	MBA 36	78,800	
Rebudget: Info Security/Network Architecture Audits	MBA 36	500,000	
Rebudget: Internet Crimes Against Children Grant	MBA 36	220,000	
Rebudget: Investing in Results Efforts	MBA 36	8,991	

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
City-Wide (Cont'd.)		
Rebudget: Joint Planning - South Campus District	MBA 36	315,000
Rebudget: Juvenile Justice and Delinquency Prevention Grant	MBA 36	126,322
Rebudget: Los Lagos Golf Course Netting	MBA 36	33,606
Rebudget: Low Income Energy Assistance	MBA 36	240,000
Rebudget: Management Training	MBA 36	99,071
Rebudget: Martha Gardens/Spartan Keyes Arts Festival	MBA 36	45,000
Rebudget: Metropolitan Medical Response System Grant	MBA 36	232,330
Rebudget: Metropolitan Medical Task Force Grant	MBA 36	151,554
Rebudget: Neighborhood Strip Retail Revitalization	MBA 36	292,875
Rebudget: Neighborhood Revitalization Strategy	MBA 36	305,833
Rebudget: Networking of Remote Sites	MBA 36	27,805
Rebudget: Nike Animal Rescue Foundation	MBA 36	49,263
Rebudget: Old City Hall Land Use Planning	MBA 36	55,000
Rebudget: Old City Hall Remaining System Migration Study	MBA 36	154,007
Rebudget: OTS 2004-07 DUI/Seat Belt Safety Program	MBA 36	178,286
Rebudget: OTS Safety Checkpoint Mini-Grant	MBA 36	30,856
Rebudget: Outside Evaluation for Healthy Neighborhoods Venture Fund	MBA 36	100,000
Rebudget: Pandemic Flu Planning	MBA 36	143,000
Rebudget: Parking Citations Processing	MBA 36	124,196
Rebudget: Parking Citations/Jail Courthouse Fees	MBA 36	232,292
Rebudget: Parks Maintenance - Non-Personal/Equipment Purchases	MBA 36	1,148,129
Rebudget: Payroll/Human Resources Project	MBA 36	100,000
Rebudget: Planning Area Studies	MBA 36	37,500
Rebudget: Public Art in Private Development Fund	MBA 36	246,466
Rebudget: Public, Educational, and Government (PEG) Access Facilities - Capital	MBA 36	1,750,000
Rebudget: Public, Educational, and Government (PEG) Access Facilities - Operations	MBA 36	2,000,000
Rebudget: San José Beautiful Program	MBA 36	83,957
Rebudget: San José BEST	MBA 36	130,062
Rebudget: San José Future Teachers Loan Program	MBA 36	13,594
Rebudget: Science Program for Alum Rock Youth Center	MBA 36	9,482
Rebudget: Senior Staff Home Loan Assistance	MBA 36	1,750,000
Rebudget: Sick Leave Payments Upon Retirement	MBA 36	5,500,000
Rebudget: Smart Start Neighborhood Centers	MBA 36	39,775
Rebudget: Sports Opportunity Fund	MBA 36	93,883
Rebudget: Stevens Creek Auto Row	MBA 36	135,000
Rebudget: Strong Neighborhoods Initiative (Expanded)	MBA 36	150,000
Rebudget: Sunshine Reform	MBA 36	125,000
Rebudget: Training and Continuous Improvement Program	MBA 36	25,000
Rebudget: Walk of Fame	MBA 36	50,000
Rebudget: Weed and Seed-East San José (Seeding)	MBA 36	36,692
Rebudget: Workers' Compensation Claims	MBA 36	500,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
City-Wide (Cont'd.)		
Technical Adj: Comprehensive General Plan Update - Reallocate from Earmarked Reserve	MBA 36	200,000
Technical Adj: 2005-2008 Human Trafficking Prevention Grant	MBA 36	75,000
Technical Adj: 2006 Super UASI-Police - funding for a temporary Police Lieutenant through September 2007	MBA 36	38,813
Technical Adj: Banking Services-to address higher costs	MBA 36	230,000
Eliminate San José Brand Media Outreach Plan to fund other additions	Mayor Msg	(150,000)
Lincoln Avenue Property Based Improvement District	Mayor Msg	65,000
Children's Musical Theatre Relocation Compensation	Mayor Msg	33,000
Green Challenge in San José	Mayor Msg	25,000
South Bay Children's Medical Center - Children's Mobile Health Clinic	Mayor Msg	42,000
San José Education Foundation Pilot Homework Center Program	Mayor Msg	100,000
Downtown Working Group Pilot Program	Mayor Msg	167,245
Arena Community Fund - additional funding received in 2007- 2008 to be reallocated to Officerholder Accounts Reserve	Mayor Msg	(125,000)
City Charter Review - eliminate rebudget to fund other additions in Mayor's Message	Mayor Msg	(250,000)
Reduce Technology Hardware Replacement - reallocate a portion of this funding to support other additions	Mayor Msg	(182,145)
Reduce Technology Hardware Replacement - reallocate a portion of this funding to support the EHC Lifebuilders Homeless Shelter	Council Rev *	(257,000)
EHC Lifebuilders Homeless Shelter	Council Rev *	257,000
Public-Private Parks Maintenance Partnership - reallocate funding from PRNS Personal Services and Non-Personal/ Equipment	Council Rev *	333,000
		41,325,397
Capital Contributions		
Rebudget: City-Wide Sidewalk Repairs	MBA 36	80,000
Rebudget: Closed Landfill Compliance	MBA 36	88,000
Rebudget: COPS 2003-2004 Interoperable Comm Grant	MBA 36	4,717,718
Rebudget: Facility Infrastructure Maintenance Backlog	MBA 36	337,000
Rebudget: Fire Apparatus Replacement and Repair	MBA 36	224,000
Rebudget: Mayfair Summer Aquatics Program	MBA 36	379,000
Rebudget: Parks and Recreation Bond Projects	MBA 36	588,000
Rebudget: Senior Friendly Park Elements	MBA 36	30,000
Rebudget: Tamien Station Skateboard Park Development	MBA 36	622,000
Rebudget: Transportation Maintenance Backlog-Neighborhood Appearance	MBA 36	360,000
Rebudget: Transportation Maintenance Backlog-Safety Enhancements	MBA 36	1,800,000
Rebudget: Watson Planning Remediation and Contingency	MBA 36	50,000
Rebudget: Youth Sports Fields Joint Use Agreement	MBA 36	50,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

	CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)		
Capital Contributions (Cont'd.)		
Technical Adj: Transportation Maintenance Backlog - Neighborhood Appearance - shift funding from the Safety Enhancements line item	MBA 36 1,600,000	
Technical Adj: Transportation Maintenance Backlog - Safety Enhancements - shift funding to Neighborhood Appearance line item	MBA 36 (1,600,000)	
Police Athletic League Stadium Improvements	Mayor Msg 100,000	
Lighting on Hedding Street	Mayor Msg 205,000	
Reduce Transportation Maintenance Backlog: Traffic Sign Replacement to fund the Lighting on Hedding Street Project	Mayor Msg (205,000)	9,425,718
Earmarked Reserves		
Decrease Technology Reserve - reallocate to the Technology Hardware Replacement and Technology Legacy Applications Migration City-Wide Expenses allocations	MBA 13 (2,000,000)	
Rebudget: Airport Overhead Reserve	MBA 36 3,006,000	
Rebudget: Economic Uncertainty Reserve	MBA 36 3,958,415	
Rebudget: Enhanced Park Maintenance Reserve	MBA 36 5,021,839	
Rebudget: Environmental Mitigation (Burrowing Owl Habitat) Reserve	MBA 36 338,520	
Rebudget: Fee Supported Reserve - Building	MBA 36 7,712,406	
Rebudget: Fee Supported Reserve - Fire	MBA 36 2,833,278	
Rebudget: Fee Supported Reserve - Planning	MBA 36 607,276	
Rebudget: Fee Supported Reserve - Public Works	MBA 36 751,944	
Rebudget: Fuel Usage	MBA 36 750,000	
Rebudget: Future Capital Projects (FF & E) Reserve	MBA 36 6,824,806	
Rebudget: Hayes Mansion Line of Credit Reserve	MBA 36 5,000,000	
Rebudget: Neighborhood Investment Fund	MBA 36 4,160,516	
Reserve for Neighborhood Capital Improvements	MBA 36 4,341,659	
Rebudget: Salary & Benefits Reserve	MBA 36 21,300,000	
Rebudget: Workers' Compensation/General Liability Reserve	MBA 36 10,000,000	
Technical Adj: Salary and Benefits Reserve to offset IPA increase	MBA 36 (26,000)	
Technical Adj: Comprehensive General Plan Update - Reallocate to a City-Wide Expenses Appropriation	MBA 36 (200,000)	
Increase Fee Support Reserve - Building: to offset the defunding of a consultant to review the permitting process	Mayor Msg 175,000	
Increase Fee Support Reserve - Planning: to offset the defunding of a consultant to review the permitting process	Mayor Msg 25,000	
Kirk Community Center Minor Improvements	Mayor Msg 250,000	
Officerholder Accounts Reserve - establishes reserve by reallocating additional funding received in the Arena Community Fund	Mayor Msg 125,000	
Sunshine Reform Reserve - reallocates funding from Sunshine Reform appropriation	Mayor Msg 250,000	75,205,659

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL FUND (001)

		CHANGES	TOTALS
Use of Funds Incremental Change (Cont'd.)			
Contingency Reserve			
Allocate net additional revenue identified in MBA 34 to the Contingency Reserve	MBA 34	48,799	
Rebudget: Contingency Reserve	MBA 36	1,800,000	1,848,799
Subtotal of Incremental Adjustments		\$	135,555,366
REVISED TOTAL USE OF FUNDS		\$	1,031,779,500

* Reflects Council actions taken on June 12, 2007 to revise the Mayor's June Budget Message.

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GIFT TRUST FUND (139)

Total Source of Funds Per Proposed Budget (Page XI - 36) 2,160,350

Source of Funds Incremental Adjustments

Earned Revenue (MBA #36) 62,913

Subtotal of Incremental Adjustments 62,913

REVISED TOTAL SOURCE OF FUNDS **\$ 2,223,263**

Total Use of Funds Per Proposed Budget (Page XI - 38) 2,160,350

Use of Funds Incremental Adjustments

Canine Units (MBA #36) 3,150

Library Gifts (MBA #36) 44,013

Library Literacy (MBA #36) 250

Sponsorship Gifts (MBA #36) 15,500

Subtotal of Incremental Adjustments 62,913

REVISED TOTAL USE OF FUNDS **\$ 2,223,263**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
SAN JOSE ARENA ENHANCEMENT FUND (301)

Total Source of Funds Per Proposed Budget (N/A)	-
Source of Funds Incremental Adjustments	
Commercial Paper Proceeds (MBA #36)	8,250,000
Subtotal of Incremental Adjustments	8,250,000
REVISED TOTAL SOURCE OF FUNDS	\$ 8,250,000
Total Use of Funds Per Proposed Budget (N/A)	-
Use of Funds Incremental Adjustments	
Capital Enhancements (MBA #36)	8,250,000
Subtotal of Incremental Adjustments	8,250,000
REVISED TOTAL USE OF FUNDS	\$ 8,250,000

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLES) FUND (414)

Total Source of Funds Per Proposed Budget (Page X I - 80)		867,616
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	1,698,268	
Subtotal of Incremental Adjustments		1,698,268
REVISED TOTAL SOURCE OF FUNDS	\$	2,565,884
Total Use of Funds Per Proposed Budget (Page XI - 80)		867,616
Use of Funds Incremental Adjustments		
SLES Grant 2006-2008 (MBA #36)	1,698,268	
SLES 2004-2006 (MBA #36)	6,500	
SLES 2006-2008 (MBA #36)	50,000	
Ending Fund Balance (MBA #36)	(56,500)	
Subtotal of Incremental Adjustments		1,698,268
REVISED TOTAL USE OF FUNDS	\$	2,565,884

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

STATE DRUG FORFEITURE FUND (417)

Total Source of Funds Per Proposed Budget (Page XI - 76)		1,576,516
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	25,025	
Subtotal of Incremental Adjustments		25,025
REVISED TOTAL SOURCE OF FUNDS	\$	1,601,541
Total Use of Funds Per Proposed Budget (Page XI - 76)		1,576,516
Use of Funds Incremental Adjustments		
Police Non-Personal/Equipment (Mayor Msg) (Deploy 3 of 15 new police officers as motor officers)	51,856	
Police Non-Personal/Equipment (MBA #36)	25,025	
Ending Fund Balance (Mayor Msg)	(51,856)	
Subtotal of Incremental Adjustments		25,025
REVISED TOTAL USE OF FUNDS	\$	1,601,541

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

LIBRARY PARCEL TAX FUND (418)

Total Source of Funds Per Proposed Budget (Page XI - 46) 8,069,899

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 815,000

Subtotal of Incremental Adjustments 815,000

REVISED TOTAL SOURCE OF FUNDS \$ 8,884,899

Total Use of Funds Per Proposed Budget (Page XI - 46) 8,069,899

Use of Funds Incremental Adjustments

Acquisition of Materials (MBA #36) 700,000

Non-Personal/Equipment (MBA #36) 115,000

Subtotal of Incremental Adjustments 815,000

REVISED TOTAL USE OF FUNDS \$ 8,884,899

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
FEDERAL DRUG FORFEITURE FUND (419)

Total Source of Funds Per Proposed Budget (Page XI - 29)		1,048,229
Source of Funds Incremental Adjustments		
No Change		
Subtotal of Incremental Adjustments		-
REVISED TOTAL SOURCE OF FUNDS	\$	1,048,229
Total Use of Funds Per Proposed Budget (Page XI - 29)		1,048,229
Use of Funds Incremental Adjustments		
Police Non-Personal/Equipment (MBA #36)	54,800	
Ending Fund Balance (MBA #36)	(54,800)	
Subtotal of Incremental Adjustments		-
REVISED TOTAL USE OF FUNDS	\$	1,048,229

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
INTEGRATED WASTE MANAGEMENT FUND (423)

Total Source of Funds Per Proposed Budget (Page XI - 43)		117,048,161
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	132,950	
Subtotal of Incremental Adjustments		132,950
REVISED TOTAL SOURCE OF FUNDS	\$	117,181,111

Total Use of Funds Per Proposed Budget (Page XI - 44)		117,048,161
Use of Funds Incremental Adjustments		
Environmental Services Department - Non-Personal/Equipment (MBA #36)	(1,149,050)	
Environmental Services Department - Yard Trimming/Street Sweeping (MBA #36)	847,700	
Environmental Services Department - Single Family Recycle Plus (MBA #36)	418,300	
Delinquent Lien Releases (MBA #36)	16,000	
Subtotal of Incremental Adjustments		132,950
REVISED TOTAL USE OF FUNDS	\$	117,181,111

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

ANTI-TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE FUND (426)

Total Source of Funds Per Proposed Budget (Page XI - 7)	19,597,339
Source of Funds Incremental Adjustments	
No Change	
Subtotal of Incremental Adjustments	0
REVISED TOTAL SOURCE OF FUNDS	\$ 19,597,339

Total Use of Funds Per Proposed Budget (Page XI - 8)	19,597,339
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Use of Funds Incremental Adjustments

Education/Health

After School Youth Program (MBA #21)	25,000
Alcanzar Program (MBA #21)	25,000
Beyond School Hours Program (MBA #21)	25,000
Books for Little Hands (1.0 Senior Library Clerk, 0.5 Literacy Program Specialist PT, and 0.14 Library Clerk PT, MBA #21 and 36)	127,794
Children's Health Initiative (MBA #21)	2,100,000
City Year After School Homework and Enrichment Program (MBA #21)	26,250
Dental Care for Children of San José (MBA #21)	97,000
Family Advocate Model of Empowerment (MBA #21)	52,668
Family Empowerment Program (MBA #21)	25,000
Foster and Middle School Youth Leadership Program (MBA #21)	71,709
Happy 5 Project (MBA #21)	37,500
Health Education and Prevention (MBA #21)	37,500
Homework Center Program (MBA #21)	2,465,000
Inspiring Young Minds and Families (MBA #21)	34,742
Junior for Success (MBA #21)	25,000
Kinder Readiness Project (MBA #21)	25,000
Kindergarten Readiness Program (MBA #21)	75,146
Law For Your Life (MBA #21)	26,250
Legal Eagle (MBA #21)	26,250
Middle School Sports League/After School Program (MBA #21)	89,482
Model Car Program (MBA #21)	29,624
Our Lady of Grace Nativity Middle School for Girls (MBA #21)	25,000
Phu Dong Youth Project (MBA #21)	37,500
Project Cornerstone School Partnerships (MBA #21)	45,540

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

ANTI-TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE FUND (426) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Education/Health (Cont'd.)

Project Safe Place: Safe Place Community Outreach (MBA #21)	49,342
RAFT Project (MBA #21)	48,500
Ready, Set, Read! Family Literacy Project (MBA #21)	37,500
Rosa Elena Childcare Center (MBA #21)	25,000
Sacred Heart Nativity School for Boys (MBA #21)	25,000
San José Community Oceanography Program (MBA #21)	25,000
San José Native Youth Empowerment Program (MBA #21)	37,006
San José School-Based Mentoring Project (MBA #21)	25,000
School-Based Critical Incident Stress Management Services (MBA #21)	26,250
School-To-Career Program (MBA #21)	55,251
SMART Moves (MBA #21)	37,500
SMARTS - Summer Youth Program (MBA #21)	25,000
Step-Up to Brighter Futures Program (MBA #21)	81,566
THRIVE Institute for Learning (MBA #21)	25,000
Truancy Intervention Project (MBA #21)	37,500
Truancy Reduction Program (MBA #21)	25,000
Turn the Tide Youth Education Program (MBA #21)	48,048
Turning Point Mentoring Program (MBA #21)	25,000
Tutoring and Educational Advocacy Program (MBA #21)	37,500
Washington Neighborhood Health Clinic (MBA #21)	27,708
Weight, Worry, and Waffles Wellness Program (MBA #21)	25,000
Workforce Readiness and Economic Education Program (MBA #21)	36,960
YMCA AfterSchool at Lietz and Farnham Elementary Schools (MBA #21)	39,570
Youth Corps (MBA #21)	42,704
Youth Leadership Academy (MBA #21)	26,250
Youth Technology Program (MBA #21)	34,297
YouthBuild (MBA #21)	57,565

Senior Services/Health

Addressing the Gaps in Aging Services (MBA #21)	662,883
Alzheimer's Activity Center (MBA #21)	26,250
Coordinating Care for Our American Indian Elders Program (MBA #21)	49,997
Legal Assistance to San José Elders Expansion Project (MBA #21)	34,473
LGBT Senior Services Program (MBA #21)	46,385
MACSA Adult Day Health Care Scholarship Project (MBA #21)	49,900
MACSA Adult Day Health Caregiver Support and Respite Project (MBA#21)	37,500
Markham Terrace Supportive Housing Program for Seniors (MBA #21)	37,500
Mature Alternatives to Violent Environments Now (MBA #21)	84,141
Meals on Wheels (MBA #21)	30,249
Minority Senior Wellness Project (MBA #21)	120,886
Older Caregivers Respite and Support Services (MBA #21)	103,101
Outreach and Education for Seniors with Diabetes (MBA #21)	25,000
Senior Adult Day Care/Respite (MBA #21)	29,605

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

ANTI-TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE FUND (426) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Senior Services/Health (Cont'd.)

Senior Legal Advocacy Project (MBA #21)	34,234
Senior Services (MBA #21)	37,144
Senior Transportation Program (MBA #21)	142,204
Senior Wellness Program (MBA #21)	29,775
Seniors Living With Vision Loss (MBA #21)	48,780
Spring Chicken (MBA #21)	25,000
Support To At-Risk Seniors (MBA #21)	54,100
To Life! A Wellness Program for Seniors (MBA #21)	31,929

Tobacco-Free Community/Health

Fostering Tobacco-Free Communities (MBA #21)	87,760
Healthy Stages (MBA #21)	58,576
Keep the Music Alive (MBA #21)	138,600
Pathway to Family Wellness (MBA #21)	25,000

HNVF Administration Program (MBA #21)	870,000
To Be Allocated (MBA #21)	(9,476,593)
Ending Fund Balance (MBA #21)	14,649

Subtotal of Incremental Adjustments 0

REVISED TOTAL USE OF FUNDS \$ 19,597,339

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

HOUSING TRUST FUND (440)

Total Source of Funds Per Proposed Budget (Page XI - 41)		2,455,342
Source of Funds Incremental Adjustments		
Earned Revenue (Mayor)	200,000	
Subtotal of Incremental Adjustments		200,000
REVISED TOTAL SOURCE OF FUNDS		\$ 2,655,342
Total Use of Funds Per Proposed Budget (Page XI - 41)		2,455,342
Use of Funds Incremental Adjustments		
Teacher Rental Housing Program (Mayor Msg)	300,000	
Ending Fund Balance (Mayor Msg)	(100,000)	
Subtotal of Incremental Adjustments		200,000
REVISED TOTAL USE OF FUNDS		\$ 2,655,342

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (441)

Total Source of Funds Per Proposed Budget (Page XI - 18)		19,377,645
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	1,308,841	
Subtotal of Incremental Adjustments		1,308,841
REVISED TOTAL SOURCE OF FUNDS	\$	20,686,486

Total Use of Funds Per Proposed Budget (Page XI - 18)		19,377,645
Use of Funds Incremental Adjustments		
Alma Community Center (MBA #36)	285,943	
Anti-Litter and Anti-Graffiti Program (Add 1.0 Maintenance Worker I and 1.5 Maintenance Assistant PT. Delete 1.0 Senior Painter and 0.5 Community Activity Worker PT, MBA #36)	-	
Gateway East Sanitary Sewers (MBA #36)	400,000	
Japantown Rest Areas and Streetscape (MBA #36)	50,000	
San José Smart Start Family Child Care Program (Add 1.0 Literacy Program Specialist, 0.75 Youth Outreach Worker II PT and 0.63 Library Page PT, MBA #36)	-	
O' Conner Park Restroom Building (MBA #36)	249,498	
Yu-Ai-Kai Acquisition (MBA #36)	323,400	
Subtotal of Incremental Adjustments		1,308,841
REVISED TOTAL USE OF FUNDS	\$	20,686,486

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
LOW AND MODERATE INCOME HOUSING FUND (443)

Total Source of Funds Per Proposed Budget (Page XI - 48)		105,331,000
Source of Funds Incremental Adjustments		
No Change	0	
Subtotal of Incremental Adjustments		0
REVISED TOTAL SOURCE OF FUNDS	\$	105,331,000
Total Use of Funds Per Proposed Budget (Page XI - 49)		105,331,000
Use of Funds Incremental Adjustments		
Overhead Adjustment (MBA #36)	41,337	
Ending Fund Balance (MBA #36)	(41,337)	
Subtotal of Incremental Adjustments		0
REVISED TOTAL USE OF FUNDS	\$	105,331,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
STORM SEWER OPERATING FUND (446)

Total Source of Funds Per Proposed Budget (Page XI - 78)		20,909,818
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	25,200	
Subtotal of Incremental Adjustments		
		25,200
REVISED TOTAL SOURCE OF FUNDS	\$	20,935,018
Total Use of Funds Per Proposed Budget (Page XI - 79)		20,909,818
Use of Funds Incremental Adjustments		
Environmental Services Department - Non-Personal/Equipment (MBA #24)	(75,000)	
Environmental Services Department - Non-Personal/Equipment (MBA #36)	25,200	
Ending Fund Balance (MBA #24)	75,000	
Subtotal of Incremental Adjustments		
		25,200
REVISED TOTAL USE OF FUNDS	\$	20,935,018

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

MULTI-SOURCE HOUSING FUND (448)

Total Source of Funds Per Proposed Budget (Page XI - 64)		14,126,065
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	625,000	
Subtotal of Incremental Adjustments		625,000
REVISED TOTAL SOURCE OF FUNDS	\$	14,751,065
Total Use of Funds Per Proposed Budget (Page XI - 65)		14,126,065
Use of Funds Incremental Adjustments		
CalHOME Program (MBA #36)	400,000	
Mobilehome Teacher Program (MBA #36)	75,000	
SNI Housing Rehabilitation Program (MBA #36)	150,000	
Subtotal of Incremental Adjustments		625,000
REVISED TOTAL USE OF FUNDS	\$	14,751,065

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

TRANSIENT OCCUPANCY TAX FUND (461)

Total Source of Funds Per Proposed Budget (Page XI - 81)		15,977,819
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	1,303,000	
Subtotal of Incremental Adjustments		1,303,000
REVISED TOTAL SOURCE OF FUNDS	\$	17,280,819
Total Use of Funds Per Proposed Budget (Page X I- 81)		15,977,819
Use of Funds Incremental Adjustments		
Cultural Grants (MBA #36)	1,303,000	
Office of Economic Development: Add 1.0 Deputy Director (MBA #25)	-	
Subtotal of Incremental Adjustments		1,303,000
REVISED TOTAL USE OF FUNDS	\$	17,280,819

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE
GRANT TRUST FUND (474)

Total Source of Funds Per Proposed Budget (Page X - 26)		26,582
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	291,580	
Subtotal of Incremental Adjustments		291,580
REVISED TOTAL SOURCE OF FUNDS	\$	318,162
Total Use of Funds Per Proposed Budget (Page XI - 26)		26,582
Use of Funds Incremental Adjustments		
JAG 2005-2007 (MBA #36)	40,000	
JAG 2006-2008 (MBA #36)	265,580	
Ending Fund Balance (MBA #36)	(14,000)	
Subtotal of Incremental Adjustments		291,580
REVISED TOTAL USE OF FUNDS	\$	318,162

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SAN JOSE/SANTA CLARA TREATMENT PLANT OPERATING FUND (513)

Total Source of Funds Per Proposed Budget (Page XI - 71)	87,274,728
Source of Funds Incremental Adjustments	
Beginning Fund Balance (MBA #36)	167,050
Subtotal of Incremental Adjustments	167,050
REVISED TOTAL SOURCE OF FUNDS	\$ 87,441,778
Total Use of Funds Per Proposed Budget (Page XI - 72)	87,274,728
Use of Funds Incremental Adjustments	
Environmental Services Department - Non-Personal/Equipment (MBA #36)	167,050
Environmental Services Department - Non-Personal/Equipment (MBA #24)	75,000
Ending Fund Balance (MBA #24)	(75,000)
Subtotal of Incremental Adjustments	167,050
REVISED TOTAL USE OF FUNDS	\$ 87,441,778

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

WATER UTILITY FUND (515)

Total Source of Funds Per Proposed Budget (Page XI - 84) 29,620,585

Source of Funds Incremental Adjustments

No Change

Subtotal of Incremental Adjustments -

REVISED TOTAL SOURCE OF FUNDS \$ 29,620,585

Total Use of Funds Per Proposed Budget (Page XI - 85) 29,620,585

Use of Funds Incremental Adjustments

Environmental Services Department Personal (93,200)
Services - Transfer of 1.0 Accounting Technician
to Information Technology Department (MBA#36)

Information Technology Department Personal 93,200
Services - Transfer of 1.0 Accounting Technician
from Environmental Services Department (MBA#36)

Subtotal of Incremental Adjustments -

REVISED TOTAL USE OF FUNDS \$ 29,620,585

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT MAINTENANCE AND OPERATION FUND (523)

Total Source of Funds Per Proposed Budget (Page XI - 3)	121,036,583
Source of Funds Incremental Adjustments	
Beginning Fund Balance (MBA #36)	238,935
Subtotal of Incremental Adjustments	238,935
REVISED TOTAL SOURCE OF FUNDS	\$ 121,275,518
Total Use of Funds Per Proposed Budget (Page XI - 4)	121,036,583
Use of Funds Incremental Adjustments	
Non-Personal/Equipment: Airport Curfew Fines Program (MBA #36)	238,935
Subtotal of Incremental Adjustments	238,935
REVISED TOTAL USE OF FUNDS	\$ 121,275,518

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

GENERAL PURPOSE PARKING FUND (533)

Total Source of Funds Per Proposed Budget (Page XI - 34) 23,526,164

Source of Funds Incremental Adjustments

Beginning Fund Balance (Mayor Msg) 830,000

Subtotal of Incremental Adjustments 830,000

REVISED TOTAL SOURCE OF FUNDS \$ 24,356,164

Total Use of Funds Per Proposed Budget (Page XI - 35) 23,526,164

Use of Funds Incremental Adjustments

Personal Services (MBA #32) (209,314)

Police Department Parking Garage Security Services
(MBA #36) 150,000

Reserve for Capital Development Account
(Mayor Msg) 830,000

Ending Fund Balance (MBA #32 and #36) 59,314

Subtotal of Incremental Adjustments 830,000

REVISED TOTAL USE OF FUNDS \$ 24,356,164

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
SEWER SERVICE AND USE CHARGE FUND (541)

Total Source of Funds Per Proposed Budget (Page XI - 74)	129,189,866
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	500,000
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Subtotal of Incremental Adjustments	500,000
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REVISED TOTAL SOURCE OF FUNDS	\$	129,689,866
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Total Use of Funds Per Proposed Budget (Page XI - 75)	129,189,866
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Use of Funds Incremental Adjustments

Department of Transportation Non-Personal/Equipment (MBA#36)	500,000
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Subtotal of Incremental Adjustments	500,000
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REVISED TOTAL USE OF FUNDS	\$	129,689,866
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2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

EMMA PRUSCH FUND (131)

Total Source of Funds Per Proposed Budget (Page V - 495)	300,830
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	22,000
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Subtotal of Incremental Adjustments	22,000
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REVISED TOTAL SOURCE OF FUNDS	\$	322,830
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Total Use of Funds Per Proposed Budget (Page V - 496)	300,830
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Use of Funds Incremental Adjustments

LeFevre House Improvements (MBA #36)	22,000
Prusch Park Improvements (MBA #36)	30,000
Ending Fund Balance (MBA #36)	(30,000)

Subtotal of Incremental Adjustments	22,000
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REVISED TOTAL USE OF FUNDS	\$	322,830
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2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SUBDIVISION PARK TRUST FUND (375)

Total Source of Funds Per Proposed Budget (Page V - 511) 68,081,707

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 11,251,000

Subtotal of Incremental Adjustments 11,251,000

REVISED TOTAL SOURCE OF FUNDS **\$ 79,332,707**

Total Use of Funds Per Proposed Budget (Page V - 524) 68,081,707

Use of Funds Incremental Adjustments

Aborn Park Master Plan (MBA #36)	25,000
Alma Community Center (MBA #36)	5,000
Almaden Apartments Area Master Plan (MBA #36)	25,000
Almaden Lake Park Neighborhood Improvements	16,000
Almaden Lake Park Playground (MBA #36)	43,000
Almaden Winery Rose Garden Irrigation Improvements (MBA #36)	20,000
Autumn Terrace at Bonita Park (MBA #36)	55,000
Backesto Park Improvements (MBA #36)	50,000
Barberry Lane Pathway Improvements (MBA #36)	6,000
Bascom Community Center (MBA #36)	50,000
Bernal Park Improvements (MBA #36)	21,000
Berryessa Creek Park Play Lot Renovation (MBA #36)	405,000
Bestor Art Park Minor Improvements (MBA #36)	75,000
Boggini Park Play Equipment (MBA #36)	9,000
Brigadoon Park Improvements (MBA #36)	39,000
Butcher Dog Park (MBA #36)	200,000
Butcher Park Improvements (MBA #36)	130,000
Butcher Park Restroom (MBA #36)	70,000
Cahalan Park Renovations (MBA #36)	10,000
Camden Community Center Tot Program Restroom Renovation (MBA #36)	75,000
Camden Park and Community Center Improvements (MBA #36)	95,000
Chelmers Park Development (MBA #36)	233,000
Children of the Rainbow Park Renovation Public Art (MBA #36)	2,000
City-wide Skateboard Park Development (MBA #36)	286,000
Curci Parksite Improvements (MBA #36)	206,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SUBDIVISION PARK TRUST FUND (375) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Curci Parksite Turnkey Park (MBA #36)	44,000
Discovery Community Garden (MBA #36)	40,000
Evergreen Community Center Expansion Public Art (MBA #36)	1,000
Falls Creek Park Development (MBA #36)	442,000
Fernish Park Renovations (MBA #36)	150,000
Flickinger Park Improvements (MBA #36)	231,000
Fontana Dog Park Improvements (MBA #36)	400,000
Gregory Street Tot Lot Improvements (MBA #36)	10,000
Guadalupe Gardens Community Garden (MBA #36)	213,000
Happy Hollow Park and Zoo Phase II Renovations (MBA #36)	344,000
Hester Park Renovations (MBA #36)	35,000
Houge Park Security Lighting (MBA #36)	73,000
Kirk Community Center Feasibility Study (MBA #36)	75,000
LoBue Park Development (MBA #36)	228,000
Los Paseos Park Playground (Mayor Msg)	40,000
Madden Avenue/Jackson Avenue Turnkey Park (MBA #36)	41,000
Martin Park Expansion (MBA #36)	702,000
Mayfair Center Pools Public Art (MBA #36)	35,000
Mayfair Community Center - Satellite (MBA #36)	2,546,000
McLaughlin Park Improvements (MBA #36)	36,000
Modern Ice Turnkey Park (MBA #36)	56,000
Murdock Park Renovations (MBA #36)	14,000
Noble Park Irrigation Conversion (MBA #36)	5,000
Parkview III Park Renovations (MBA #36)	24,000
Penitencia Creek Neighborhood Park Public Art (MBA #36)	10,000
Penitencia Creek Park Dog Park (MBA #36)	685,000
Penitencia Creek Park Dog Park Public Art (MBA #36)	14,000
Penitencia Creek Reach II Public Art (MBA #36)	10,000
Plata Arroyo Improvements (MBA #36)	82,000
Plata Arroyo Park Restroom (MBA #36)	7,000
Plata Arroyo Skate Park Development (MBA #36)	60,000
Plata Arroyo Skate Park Development Public Art (MBA #36)	8,000
Ramblewood Park Improvements (MBA #36)	10,000
Reserve: Aborn Park Development (MBA #36)	(25,000)
Reserve: Future Park Development for Almaden Apartments Area (MBA #36)	(25,000)
Reserve: Future PDO/PIFO Projects (MBA #35)	(1,050,000)
Reserve: Future PDO/PIFO Projects (MBA #36)	(170,000)

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SUBDIVISION PARK TRUST FUND (375) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Reserve: Los Paseos Park Improvements (Mayor's Message)	(40,000)	
Reserve: North District 3 Park Acquisition and Development (MBA #35)	(400,000)	
Reserve: Ryland Pool (MBA #35)	1,450,000	
River Glen Park Improvements (MBA #36)	66,000	
Roosevelt Center Gymnasium Design (MBA #36)	161,000	
Roosevelt Center Handball Court Demolition (MBA #36)	70,000	
Roosevelt Community Center - Multi-Service (MBA #36)	351,000	
Roosevelt Park Skate Park (MBA #36)	50,000	
Rose Garden Enhancements (MBA #36)	120,000	
Saratoga Creek Park Dog Park Public Art (MBA #36)	3,000	
Scott and Clifton Park Real Estate Services (MBA #36)	21,000	
Selma Olinder Dog Park (MBA #36)	200,000	
Solari Community Center - Multi-Service (MBA #36)	797,000	
Tamien Skate Park Development (MBA #36)	11,000	
TJ Martin Park Turf Renovation (MBA #36)	36,000	
TRAIL: Bay Trail Reach 9B (MBA #36)	10,000	
TRAIL: Coyote Creek (Phelan Avenue to Los Lagos Golf Course) (MBA #36)	180,000	
Turtle Rock Park Improvements (MBA #36)	59,000	
Vista Park Community Room and Restroom (MBA #36)	16,000	
Vista Park Transformer Relocation (MBA #36)	153,000	
Watson Park Expansion Land Acquisition (MBA #36)	25,000	
Wilcox Park Renovations (MBA #36)	10,000	
Youth Sports Fields Joint-Use Agreement (MBA #36)	350,000	
 Subtotal of Incremental Adjustments		 11,251,000
 REVISED TOTAL USE OF FUNDS		 \$ 79,332,707

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #1 (377)

Total Source of Funds Per Proposed Budget (Page V - 305) 3,703,539

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 1,905,000

Subtotal of Incremental Adjustments 1,905,000

REVISED TOTAL SOURCE OF FUNDS **\$ 5,608,539**

Total Use of Funds Per Proposed Budget (Page V - 308) 3,703,539

Use of Funds Incremental Adjustments

Citywide Pool Assessment Feasibility Study (MBA #36) 1,000

Community Sports Fields Feasibility Study (MBA #36) 15,000

Council District 1 Public Art (MBA #36) 2,000

Rainbow Park Master Plan Update (MBA #36) 330,000

Starbird Park Irrigation Renovation (MBA #36) 300,000

Starbird Youth Center Fixtures, Furnishings and
Equipment (MBA #36) 50,000

West San José Community Center Fixtures, Furnishings
and Equipment (MBA #36) 20,000

West San José Community Center Landscaping and
Monument Sign (MBA #36) 120,000

Youth Center-District 1 (Starbird Youth Center)
(MBA #36) 1,067,000

Subtotal of Incremental Adjustments 1,905,000

REVISED TOTAL USE OF FUNDS **\$ 5,608,539**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #2 (378)

Total Source of Funds Per Proposed Budget (Page V - 318)		3,301,220
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	251,000	
Subtotal of Incremental Adjustments		251,000
REVISED TOTAL SOURCE OF FUNDS	\$	3,552,220
Total Use of Funds Per Proposed Budget (Page V - 321)		3,301,220
Use of Funds Incremental Adjustments		
Citywide Pool Assessment Feasibility Study (MBA #36)	1,000	
Community Sports Fields Feasibility Study (MBA #36)	15,000	
Council District 1 Public Art (MBA #36)	40,000	
Discovery Community Garden (MBA #36)	10,000	
TRAIL: Albertson Parkway (MBA #36)	185,000	
Subtotal of Incremental Adjustments		251,000
REVISED TOTAL USE OF FUNDS	\$	3,552,220

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #3 (380)

Total Source of Funds Per Proposed Budget (Page V - 328) 3,442,987

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 1,625,000

Subtotal of Incremental Adjustments 1,625,000

REVISED TOTAL SOURCE OF FUNDS **\$ 5,067,987**

Total Use of Funds Per Proposed Budget (Page V - 332*) 3,442,987

Use of Funds Incremental Adjustments

Aquatics Master Plan Implementation (MBA #35)	500,000
Citywide Pool Assessment Feasibility Study (MBA #36)	1,000
Community Sports Fields Feasibility Study (MBA #36)	15,000
Pool Repairs (MBA #35)	40,000
Pool Repairs (MBA #36)	60,000
Reserve: Aquatics Master Plan Implementation (MBA #35)	(500,000)
Roosevelt Community Center - Multi-Service (MBA #36)	967,000
Roosevelt Hockey Rink Cover (MBA #36)	215,000
Roosevelt Skate Park (MBA #36)	450,000
Ryland Pool Repairs (MBA #36)	200,000
Sixth and William Parksites Acquisition and Development (MBA #36)	117,000
Tamien Specific Plan Area Park Improvements (MBA #36)	300,000
Tamien Station Skateboard Park Development (MBA #36)	50,000
TRAIL: Guadalupe River and Harliss Street Park (MBA #36)	200,000
Ending Fund Balance (MBA #35)	(40,000)
Ending Fund Balance (MBA #36)	(950,000)

Subtotal of Incremental Adjustments 1,625,000

REVISED TOTAL USE OF FUNDS **\$ 5,067,987**

* Does not include \$5,000,000 allocation for Watson Site Clean-up and Restoration, which is budgeted in the General Fund, not the Council District 3 Construction and Conveyance Tax Fund.

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #4 (381)

Total Source of Funds Per Proposed Budget (Page V - 341)		3,464,171
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	330,000	
Subtotal of Incremental Adjustments		330,000
REVISED TOTAL SOURCE OF FUNDS	\$	3,794,171
Total Use of Funds Per Proposed Budget (Page V - 343)		3,464,171
Use of Funds Incremental Adjustments		
Aquatics Master Plan Implementation (MBA #35)	500,000	
Alviso Park Expansion (MBA #36)	240,000	
Citywide Pool Assessment Feasibility Study (MBA #36)	1,000	
Community Sports Fields Feasibility Study (MBA #36)	15,000	
Council District 4 Public Art (MBA #36)	30,000	
Pool Repairs (MBA #35)	18,000	
Pool Repairs (MBA #36)	29,000	
Reserve: Aquatics Master Plan Implementation (MBA #35)	(500,000)	
TRAIL: Bay Trail Reach 9B (MBA #36)	15,000	
Ending Fund Balance (MBA #35)	(18,000)	
Subtotal of Incremental Adjustments		330,000
REVISED TOTAL USE OF FUNDS	\$	3,794,171

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #5 (382)

Total Source of Funds Per Proposed Budget (Page V - 349) 5,512,453

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 923,000

 Subtotal of Incremental Adjustments 923,000

REVISED TOTAL SOURCE OF FUNDS \$ 6,435,453

Total Use of Funds Per Proposed Budget (Page V - 353) 5,512,453

Use of Funds Incremental Adjustments

 Citywide Pool Assessment Feasibility Study (MBA #36) 1,000

 Community Sports Fields Feasibility Study (MBA #36) 15,000

 Loan to the Neighborhood Security Bond Fund 2,322,000

 (Council Revision*)

 Mayfair Community Center - Satellite (MBA #36) 799,000

 Pool Repairs (MBA #35) 25,000

 Pool Repairs (MBA #36) 60,000

 TRAIL: Lower Silver Creek Master Plan (MBA #36) 48,000

 Ending Fund Balance (MBA #35) (25,000)

 Ending Fund Balance (Council Revision*) (2,322,000)

 Subtotal of Incremental Adjustments 923,000

REVISED TOTAL USE OF FUNDS \$ 6,435,453

* Reflects Council actions taken on June 12, 2007 to revise the Mayor's June Budget Message.

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #6 (384)

Total Source of Funds Per Proposed Budget (Page V - 365) 4,557,208

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 600,000

Subtotal of Incremental Adjustments 600,000

REVISED TOTAL SOURCE OF FUNDS **\$ 5,157,208**

Total Use of Funds Per Proposed Budget (Page V - 369) 4,557,208

Use of Funds Incremental Adjustments

Aquatics Master Plan Implementation (MBA #35)	500,000
Bascom Community Center - Multi-Service (MBA #36)	1,045,000
Cinnabar Commons Park Historical Signage (MBA #36)	20,000
Citywide Pool Assessment Feasibility Study (MBA #36)	1,000
Community Sports Fields Feasibility Study (MBA #36)	15,000
Customer Response Projects (MBA #36)	6,000
Parks and Recreation Bond Projects (MBA #36)	120,000
Reserve: Aquatics Master Plan Implementation (MBA #35)	(500,000)
Scottish Rite Parksite Development (MBA #36)	100,000
Tamien Station Skateboard Park Development (MBA #36)	50,000
TRAIL: Los Gatos Creek Reach V Master Plan (MBA #36)	88,000
TRAIL: Willow Glen Spur Trail Acquisition (MBA #36)	200,000
Ending Fund Balance (MBA #36)	(1,045,000)

Subtotal of Incremental Adjustments 600,000

REVISED TOTAL USE OF FUNDS **\$ 5,157,208**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #7 (385)

Total Source of Funds Per Proposed Budget (Page V - 383) 4,728,811

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 1,671,000

Subtotal of Incremental Adjustments 1,671,000

REVISED TOTAL SOURCE OF FUNDS **\$ 6,399,811**

Total Use of Funds Per Proposed Budget (Page V - 386) 4,728,811

Use of Funds Incremental Adjustments

Barberry Lane Pathway Improvements (MBA #36) 6,000

Citywide Pool Assessment Feasibility Study (MBA #36) 1,000

Community Sports Fields Feasibility Study (MBA #36) 15,000

Council District 7 Public Art (MBA #36) 14,000

Fair Swim Center Fixtures, Furnishings and Equipment
(MBA #36) 10,000

Nisich Park Development (MBA #36) 180,000

Parks and Recreation Bond Projects (MBA #36) 196,000

Pool Repairs (MBA #35) 53,000

Pool Repairs (MBA #36) 50,000

Solari Park Master Plan (MBA #36) 5,000

Tamien Station Skateboard Park Development
(MBA #36) 100,000

Tully Road Ballfields Parking Lot Improvements
(MBA #36) 444,000

Vietnamese American Community Center (MBA #36) 650,000

Ending Fund Balance (MBA #35) (53,000)

Subtotal of Incremental Adjustments 1,671,000

REVISED TOTAL USE OF FUNDS **\$ 6,399,811**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #8 (386)

Total Source of Funds Per Proposed Budget (Page V - 399)		3,388,166
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	191,000	
Subtotal of Incremental Adjustments		191,000
REVISED TOTAL SOURCE OF FUNDS	\$	3,579,166
Total Use of Funds Per Proposed Budget (Page V - 402)		3,388,166
Use of Funds Incremental Adjustments		
Citywide Pool Assessment Feasibility Study (MBA #36)	1,000	
Community Sports Fields Feasibility Study (MBA #36)	15,000	
Fowler Creek Park Fixtures, Furnishings and Equipment (MBA #36)	34,000	
Yerba Buena/San Felipe Corner Park Improvement (MBA #36)	175,000	
Ending Fund Balance (MBA #36)	(34,000)	
Subtotal of Incremental Adjustments		191,000
REVISED TOTAL USE OF FUNDS	\$	3,579,166

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #9 (388)

Total Source of Funds Per Proposed Budget (Page V - 407)	2,743,344
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	240,000
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Subtotal of Incremental Adjustments	240,000
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REVISED TOTAL SOURCE OF FUNDS	\$	2,983,344
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Total Use of Funds Per Proposed Budget (Page V - 409)	2,743,344
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Use of Funds Incremental Adjustments

Citywide Pool Assessment Feasibility Study (MBA #36)	1,000
Community Sports Fields Feasibility Study (MBA #36)	15,000
Council District 9 Public Art (MBA #36)	15,000
Pool Repairs (MBA #35)	25,000
Pool Repairs (MBA #36)	9,000
Samaritan Turnkey Park (MBA #36)	200,000
Ending Fund Balance (MBA #35)	(25,000)

Subtotal of Incremental Adjustments	240,000
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REVISED TOTAL USE OF FUNDS	\$	2,983,344
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2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES COUNCIL
DISTRICT #10 (389)

Total Source of Funds Per Proposed Budget (Page V - 416) 4,807,640

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 843,000

 Subtotal of Incremental Adjustments 843,000

REVISED TOTAL SOURCE OF FUNDS **\$ 5,650,640**

Total Use of Funds Per Proposed Budget (Page V - 418) 4,807,640

Use of Funds Incremental Adjustments

 Almaden Community Center Fixtures, Furnishings
 and Equipment (MBA #36) 20,000

 Community Sports Fields Feasibility Study (MBA #36) 15,000

 Council District 10 Public Art (MBA #36) 30,000

 Customer Response Projects (MBA #36) 8,000

 TRAIL: Guadalupe Creek (Meridian to Singletree) Land
 Acquisition (MBA #36) 15,000

 TRAIL: Guadalupe River Reach 12 - Atrium Spur
 (MBA #36) 5,000

 Youth Sports Fields Joint-Use Agreement (MBA #36) 750,000

 Subtotal of Incremental Adjustments 843,000

REVISED TOTAL USE OF FUNDS **\$ 5,650,640**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS PURPOSES CENTRAL
FUND (390)

Total Source of Funds Per Proposed Budget (Page V - 423)		18,492,726
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	1,043,000	
Subtotal of Incremental Adjustments		1,043,000
REVISED TOTAL SOURCE OF FUNDS	\$	19,535,726
Total Use of Funds Per Proposed Budget (Page V - 427)		18,492,726
Use of Funds Incremental Adjustments		
IT Costs - CIP Database Enhancement Project (MBA #36)	19,000	
Parks and Community Facilities Greenprint (MBA #36)	224,000	
Parks Fixtures, Furnishings and Equipment (MBA #36)	800,000	
Subtotal of Incremental Adjustments		1,043,000
REVISED TOTAL USE OF FUNDS	\$	19,535,726

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CONSTRUCTION AND CONVEYANCE TAX
FUND: CITY-WIDE PARKS PURPOSES
(391)

Total Source of Funds Per Proposed Budget (Page V - 449) 10,135,095

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	9,550,000
Paul Chaffee Grant: Happy Hollow Park and Zoo (MBA #36)	248,000

Subtotal of Incremental Adjustments 9,798,000

REVISED TOTAL SOURCE OF FUNDS **\$ 19,933,095**

Total Use of Funds Per Proposed Budget (Page V - 455) 10,135,095

Use of Funds Incremental Adjustments

Alum Rock Park Penitencia Creek Entrance (MBA #36)	6,000
Alum Rock Park Penitencia Creek Entrance Public Art (MBA #36)	15,000
Alum Rock Park Penitencia Creek Trail Public Art (MBA #36)	9,000
Alum Rock Park Service Yard Fixtures, Furnishings and Equipment (MBA #36)	39,000
Alum Rock Park Waterline Relocation (MBA #36)	715,000
City-wide Skateboard Park Development (MBA #36)	270,000
Columbus Park Horseshoe Court (MBA #36)	20,000
Community Sports Feasibility Study (MBA #36)	15,000
Coyote Creek River Oaks (Highway 237 to Montague Expressway) Public Art (MBA #36)	14,000
Family Camp Lease (MBA #36)	45,000
Guadalupe Creek/Los Alamitos Connection Public Art (MBA #36)	15,000
Guadalupe Gardens Community Garden (MBA #36)	200,000
Guadalupe River Reach 12 Public Art (MBA #36)	25,000
Guadalupe River/Coleman Road Bridge Public Art (MBA #36)	17,000
Happy Hollow East Side Improvements (MBA #36)	1,430,000
Happy Hollow/Kelley Park Miscellaneous Improvements (MBA #36)	75,000
Happy Hollow Park and Zoo Phase II Renovations (MBA #36)	2,584,000
Historic Homes - Overfelt House Public Art (MBA #36)	15,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CONSTRUCTION AND CONVEYANCE TAX
FUND: CITY-WIDE PARKS PURPOSES
(391) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Kelley Park East Picnic Grounds and Restroom (MBA #36)	1,421,000	
Kelley Park East Picnic Grounds and Restroom Public Art (MBA #36)	29,000	
Los Lagos Golf Course Enhancements (MBA #36)	117,000	
Los Lagos Golf Course Safety Improvements (MBA #36)	1,000,000	
Miyuki Dog Park (MBA #36)	11,000	
Monterey Highway Soccer Complex (MBA #36)	120,000	
Our City Forest Temporary Storage (MBA #36)	10,000	
Overfelt Garden Irrigation Renovation (MBA #36)	715,000	
Prusch Farm Park Service Yard (MBA #36)	600,000	
Paul Chaffee Grant: Happy Hollow Park and Zoo (MBA #36)	248,000	
Regional Park Call Boxes (MBA #36)	65,000	
Reserve: Calpine Open Space (Council Revision*)	(500,000)	
Reserve: Calpine Open Space (Mayor Msg)	(500,000)	
Reserve: Guadalupe Gardens Community Garden (MBA #36)	(200,000)	
TRAIL: Airport Parkway Under-Crossing (MBA #36)	40,000	
TRAIL: Albertson Parkway (Council Revision*)	500,000	
TRAIL: Albertson Parkway (Mayor Msg)	500,000	
TRAIL: Call Boxes (MBA #36)	15,000	
TRAIL: Guadalupe River Reach 12 (MBA #36)	23,000	
TRAIL: Penitencia Creek Trail/King Road Crossing (MBA #36)	55,000	
Vietnamese Cultural Heritage Garden (MBA #36)	20,000	
 Subtotal of Incremental Adjustments		 9,798,000
 REVISED TOTAL USE OF FUNDS		 \$ 19,933,095

* Reflects Council actions taken on June 12, 2007 to revise the Mayor's June Budget Message.

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: FIRE PROTECTION PURPOSES
(392)

Total Source of Funds Per Proposed Budget (Page V - 643) 8,024,844

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 535,000

Subtotal of Incremental Adjustments 535,000

REVISED TOTAL SOURCE OF FUNDS **\$ 8,559,844**

Total Use of Funds Per Proposed Budget (Page V - 652) 8,024,844

Use of Funds Incremental Adjustments

 Communications Hill Fire Station (Developer Contribution)
 (MBA #36) 30,000

 Computer Replacement Program (MBA #36) 20,000

 Decontamination Sinks (MBA #36) 15,000

 Emergency Response Maps (MBA #36) 51,000

 Fire Apparatus Replacement (MBA #36) 350,000

 Fire Station 12 - Relocation (Calero) (MBA #36) (523,000)

 Fire Station Air Conditioning (MBA #36) 42,000

 Fire Station Network Upgrades (MBA #36) 70,000

 Fire Station Privacy (MBA #36) 10,000

 Fire Training Center Repair (MBA #36) 10,000

 Heavy Rescue Airbags (MBA #36) 11,000

 Hose Replacement (MBA #36) 15,000

 Records Management System (MBA #36) 165,000

 Telecommunications Equipment (MBA #36) 10,000

 Telestaff Application Upgrades (MBA #36) 25,000

 Tools and Equipment (MBA #36) 8,000

 Traffic Control Equipment (MBA #36) 26,000

 Turnout Cleaning (MBA #36) 179,000

 Underground Fuel Tank Renovation/Replacement (MBA #36) 21,000

Subtotal of Incremental Adjustments 535,000

REVISED TOTAL USE OF FUNDS **\$ 8,559,844**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY
CONVEYANCE TAX FUND: LIBRARY PURPOSES (393)

Total Source of Funds Per Proposed Budget (Page V - 227)		17,057,207
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	515,000	
Subtotal of Incremental Adjustments		515,000
REVISED TOTAL SOURCE OF FUNDS	\$	17,572,207
Total Use of Funds Per Proposed Budget (Page V - 236)		17,057,207
Use of Funds Incremental Adjustments		
Branch Libraries Fixtures, Furnishings and Equipment (MBA #36)	365,000	
Branch Library Bond Projects (MBA #36)	50,000	
New Branch Opening Day Collections (MBA #36)	100,000	
Subtotal of Incremental Adjustments		515,000
REVISED TOTAL USE OF FUNDS	\$	17,572,207

**2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT**

**CONSTRUCTION TAX AND PROPERTY CONVEYANCE TAX FUND:
SERVICE YARDS PURPOSE (395)**

Total Source of Funds Per Proposed Budget (Page V - 988)		7,742,075
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	(500,000)	
Subtotal of Incremental Adjustments		(500,000)
REVISED TOTAL SOURCE OF FUNDS	\$	7,242,075
Total Source of Funds Per Proposed Budget (Page V - 990)		7,742,075
Use of Funds Incremental Adjustments		
Archaeological and Environmental Issues at the Main Yard (MBA #36)	(500,000)	
Demolition and Cleanup at the Main Yard (MBA #36)	(2,024,000)	
Transfer of Funds to the San José Redevelopment Agency (MBA #36)	2,024,000	
Subtotal of Incremental Adjustments		(500,000)
REVISED TOTAL USE OF FUNDS	\$	7,242,075

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
CONSTRUCTION TAX AND PROPERTY CONVEYANCE
TAX FUND: PARKS MAINTENANCE
YARDS PURPOSES (398)

Total Source of Funds Per Proposed Budget (Page V - 485)		1,343,857
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	876,000	
Subtotal of Incremental Adjustments		876,000
REVISED TOTAL SOURCE OF FUNDS	\$	2,219,857
Total Use of Funds Per Proposed Budget (Page V - 487)		1,343,857
Use of Funds Incremental Adjustments		
Alum Rock Park Maintenance Service Yard (MBA #36)	25,000	
Prusch Farm Park Service Yard (MBA #36)	851,000	
Subtotal of Incremental Adjustments		876,000
REVISED TOTAL USE OF FUNDS	\$	2,219,857

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CIVIC CENTER CONSTRUCTION FUND (425)

Total Source of Funds Per Proposed Budget (Page V - 933)		1,033,265
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	2,835,000	
Subtotal of Incremental Adjustments		2,835,000
REVISED TOTAL SOURCE OF FUNDS	\$	3,868,265
Total Use of Funds Per Proposed Budget (Page V - 936)		1,033,265
Use of Funds Incremental Adjustments		
City Hall Capital Enhancements (MBA #36)	352,000	
Watson Site Clean-up and Restoration (MBA #36)	2,483,000	
Subtotal of Incremental Adjustments		2,835,000
REVISED TOTAL USE OF FUNDS	\$	3,868,265

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

BUILDING AND STRUCTURE CONSTRUCTION TAX FUND (429)

Total Source of Funds Per Proposed Budget (Page V - 814) 27,839,406

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 5,513,000

Subtotal of Incremental Adjustments 5,513,000

REVISED TOTAL SOURCE OF FUNDS **\$ 33,352,406**

Total Use of Funds Per Proposed Budget (Page V - 842) 27,839,406

Use of Funds Incremental Adjustments

Bailey/Route 101 Improvements (MBA #36) 80,000

Bascom Avenue MIL Maintenance (MBA #36) 49,000

Bridge Mitigation Monitoring (MBA #36) 82,000

Curb Accessibility Program (MBA #36) 10,000

Curtner Avenue Widening (MBA #36) 640,000

ITS: Regional Signal Coordination (MBA #36) 53,000

ITS: Stevens Creek - West (MBA #36) 2,171,000

Lucretia Avenue: Story to Phelan (MBA #36) 15,000

Median Island Rehabilitation (MBA #36) 36,000

Oakland Road: Route 101 to Montague (MBA #36) 15,000

Quito Road: Saratoga to Bucknall (MBA #36) 13,000

Regional Projects Right-of-Way Support (MBA #36) 75,000

Route 101/Oakland Road Interchange Upgrade (MBA #36) 22,000

Route 101: Tully/Capitol Interchange Upgrade (MBA #36) 300,000

Senter Road: Tully to Singleton (MBA #36) 180,000

Traffic Signals - Rehabilitation (MBA #36) 700,000

Transportation Incident Management Center 70,000

Communication Link (MBA #36)

Union Avenue at Ross Creek (MBA #36) 792,000

Willow Glen Way: Guadalupe River Bridge (MBA #36) 200,000

Zanker Road Median Island Landscaping (MBA #36) 10,000

Subtotal of Incremental Adjustments 5,513,000

REVISED TOTAL USE OF FUNDS **\$ 33,352,406**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CIVIC CENTER PARKING FUND (433)

Total Source of Funds Per Proposed Budget (Page V - 933)		2,391,614
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	80,000	
Subtotal of Incremental Adjustments		80,000
REVISED TOTAL SOURCE OF FUNDS	\$	2,471,614
Total Use of Funds Per Proposed Budget (Page V - 936)		2,391,614
Use of Funds Incremental Adjustments		
New City Hall Parking Garage (MBA #36)	80,000	
Subtotal of Incremental Adjustments		80,000
REVISED TOTAL USE OF FUNDS	\$	2,471,614

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
REDEVELOPMENT CAPITAL PROJECTS FUND (450)

Total Source of Funds Per Proposed Budget		-
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	2,654,274	
Earned Revenue (MBA #36)	103,000	
Subtotal of Incremental Adjustments		2,757,274
REVISED TOTAL SOURCE OF FUNDS	\$	2,757,274

Total Use of Funds Per Proposed Budget -

Use of Funds Incremental Adjustments	
3rd and 4th Streets Couplet Conversion (MBA #36)	249,659
Art and Technology City Hall Lighting Plan (MBA #36)	55,000
Civic Plaza Streetscape Project (MBA #36)	27,947
Department of Public Works Real Estate Svcs - Alma Ave. Acquisition (MBA #36)	15,000
Downtown Street Lighting Improvements (MBA #36)	24,337
Eden Avenue Streetscape Improvement (MBA #36)	45,000
Greater Gardner Street Reconstruction (MBA #36)	70,000
Jeanne-Forestdale SNI Housing Rehabilitation Demonstration - Phase I (MBA #36)	250,000
Joint Library Public Art (MBA #36)	2,240
Julian and St. James Phase 1B Couplet Conversion (MBA #36)	750,000
Keyes Street/Greater Gardner Pedestrian Streetlight (MBA #36)	70,000
Non-Project Specific Department of Public Works Services (MBA #36)	15,991
North San José - Transportation Infrastructure (MBA #36)	586,900
Office of Equality Assurance Audit Services (MBA #36)	14,000
Paseo Plaza Public Art (MBA #36)	60,600
Public Art Master Plan - Downtown Focus Plan (MBA #36)	25,000
Reed Street Park (MBA #36)	10,000
San Antonio Avenue Traffic Signal Modification (MBA #36)	40,000
Sanitary Sewer Improvements Phase II (MBA #36)	103,000
San José Grand Prix 2006 Design-RDA (MBA #36)	10,000
School Access Improvements (MBA #36)	6,000
Spartan Keyes Traffic Calming (MBA #36)	6,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

REDEVELOPMENT CAPITAL PROJECTS FUND (450) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)

Starbird Youth Center Public Art (MBA #36)	37,600	
Traffic Calming Improvements (MBA #36)	7,000	
TRAIL: Coyote Creek (MBA #36)	140,000	
Twohy Building Public Art (MBA #36)	38,000	
University Neighborhood Phase 2 Pedestrian Streetlight (MBA #36)	75,000	
Zanker Road Median Island Landscaping (MBA #36)	23,000	
Subtotal of Incremental Adjustments		2,757,274
REVISED TOTAL USE OF FUNDS	\$	2,757,274

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
INTERIM CITY FACILITIES IMPROVEMENT FUND (460)

Total Source of Funds Per Proposed Budget (Page V - 967)		1,432,694
Source of Funds Incremental Adjustments		
Commercial Paper Proceeds Adjustment (MBA #36)	4,000	
Beginning Fund Balance (MBA #36)	(1,432,694)	
Commercial Paper Proceeds Adjustment (MBA #36)	1,432,694	
Subtotal of Incremental Adjustments		4,000
REVISED TOTAL SOURCE OF FUNDS	\$	1,436,694
Total Use of Funds Per Proposed Budget (Page V - 972)		1,432,694
Interim City Facilities Improvements (MBA #36)	4,000	
Subtotal of Incremental Adjustments		4,000
REVISED TOTAL USE OF FUNDS	\$	1,436,694

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

LAKE CUNNINGHAM FUND (462)

Total Source of Funds Per Proposed Budget (Page V - 499)		1,161,162
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	232,000	
Subtotal of Incremental Adjustments		232,000
REVISED TOTAL SOURCE OF FUNDS	\$	1,393,162
Total Use of Funds Per Proposed Budget (Page V - 501)		1,161,162
Use of Funds Incremental Adjustments		
Lake Water Management Plan (MBA #36)	30,000	
Perimeter Landscaping (MBA #36)	202,000	
Subtotal of Incremental Adjustments		232,000
REVISED TOTAL USE OF FUNDS	\$	1,393,162

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CONSTRUCTION EXCISE TAX FUND (465)

Total Source of Funds Per Proposed Budget (Page V - 821) 35,896,895

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 8,691,000

Subtotal of Incremental Adjustments 8,691,000

REVISED TOTAL SOURCE OF FUNDS **\$ 44,587,895**

Total Use of Funds Per Proposed Budget (Page V - 842) 35,896,895

Use of Funds Incremental Adjustments

 Curb Accessibility Program (MBA #36) 180,000

 Land Management (MBA #36) 55,000

 Ortho Photo Project (MBA #36) 215,000

 Traffic Calming (MBA #36) 780,000

 Traffic Congestion Relief Program Payback - Street 6,851,000

 Maintenance (MBA #36)

 Traffic Safety Data Collection (MBA #36) 280,000

 Traffic Safety - School Walking Routes (MBA #36) 135,000

 Vendome Area and 7th Street Traffic Calming (MBA #36) 195,000

Subtotal of Incremental Adjustments 8,691,000

REVISED TOTAL USE OF FUNDS **\$ 44,587,895**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
PARKS AND RECREATION BOND PROJECTS FUND (471)

Total Source of Funds Per Proposed Budget (Page V - 607) 61,305,155

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 57,554,000

Subtotal of Incremental Adjustments 57,554,000

REVISED TOTAL SOURCE OF FUNDS **\$ 118,859,155**

Total Use of Funds Per Proposed Budget (Page V - 610) 61,305,155

Use of Funds Incremental Adjustments

Almaden Community Center - Multi-Service (MBA #36) 1,350,000

Almaden Lake Park (MBA #36) 100,000

Bascom Community Center - Multi-Service (MBA #9) 318,000

Bascom Community Center - Multi-Service (MBA #36) 1,420,000

Camden Community Center - Multi-Service (MBA #36) 230,000

Emma Prusch Memorial Park (MBA #36) 15,000

Happy Hollow Park and Zoo Renovation and 40,272,000

Improvements (MBA #36)

Mayfair Community Center - Satellite (MBA #36) 10,540,000

Roosevelt Community Center - Multi-Service (MBA #36) 1,420,000

Solari Community Center - Multi-Service (MBA #9) 625,000

Solari Community Center - Multi-Service (MBA #36) 600,000

TRAIL: Coyote Creek (Tully Road to Los Lagos Golf 75,000

Course) (MBA #36)

TRAIL: Guadalupe River Trail Reach VI (Woz Way to 375,000

Willow Street) (MBA #36)

TRAIL: Los Alamitos/Calero Creek (MBA #36) 7,000

TRAIL: Saratoga/San Tomas Aquino Creek Reach VI 85,000

(MBA #36)

Ending Fund Balance (MBA #9) (943,000)

Ending Fund Balance (MBA #36) 1,065,000

Subtotal of Incremental Adjustments 57,554,000

REVISED TOTAL USE OF FUNDS **\$ 118,859,155**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
BRANCH LIBRARIES BOND PROJECTS FUND (472)

Total Source of Funds Per Proposed Budget (Page V - 229) 75,568,807

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 10,537,000

Subtotal of Incremental Adjustments 10,537,000

REVISED TOTAL SOURCE OF FUNDS **\$ 86,105,807**

Total Use of Funds Per Proposed Budget (Page V - 236) 75,568,807

Use of Funds Incremental Adjustments

Almaden Branch (MBA #36)	568,000
Bascom Branch (MBA #9)	318,000
Bascom Branch (MBA #36)	719,000
Bond Projects Services Consultant (MBA #36)	32,000
Calabazas Branch (MBA #36)	672,000
Contingency Reserve: Library Bond Projects (MBA #9)	(631,000)
Dr. Roberto Cruz Alum Rock Branch (MBA #36)	37,000
East San José Carnegie Branch (MBA #36)	96,000
Edenvale Branch (MBA #36)	1,751,000
Educational Park Branch (MBA #36)	1,600,000
Joyce Ellington Branch (MBA #36)	838,000
Pearl Avenue Branch (MBA #36)	1,636,000
Santa Teresa Branch (MBA #36)	969,000
Seventrees Branch (MBA #9)	313,000
Seventrees Branch (MBA #36)	652,000
Willow Glen Branch (MBA #36)	967,000

Subtotal of Incremental Adjustments 10,537,000

REVISED TOTAL USE OF FUNDS **\$ 86,105,807**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

CIVIC CENTER IMPROVEMENT FUND (473)

Total Source of Funds Per Proposed Budget (Page V - 933)	9,829,000
Source of Funds Incremental Adjustments	
Commercial Paper Proceeds (MBA #36)	2,500,000
Subtotal of Incremental Adjustments	2,500,000
REVISED TOTAL SOURCE OF FUNDS	\$ 12,329,000
Total Use of Funds Per Proposed Budget (Page V - 936)	9,829,000
Use of Funds Incremental Adjustments	
Technology, Furniture, Equipment (MBA #36)	2,500,000
Subtotal of Incremental Adjustments	2,500,000
REVISED TOTAL USE OF FUNDS	\$ 12,329,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
NEIGHBORHOOD SECURITY BOND FUND (475)

Total Source of Funds Per Proposed Budget (Page V - 644) 98,694,661

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	3,565,000
Loan from Construction Tax and Property Conveyance	2,322,000
Tax Fund: Parks Purposes Council District #5 (Council Revision*)	

Subtotal of Incremental Adjustments 5,887,000

REVISED TOTAL SOURCE OF FUNDS **\$ 104,581,661**

Total Use of Funds Per Proposed Budget (Page V - 652) 98,694,661

Use of Funds Incremental Adjustments

Contingency Reserve (MBA #36)	(285,000)
Fire Station 2 - Improvements (Council Revision*)	2,322,000
Fire Station 12 - Relocation (Calero) (MBA #36)	400,000
Fire Station 17 - Relocation (Cambrian) (MBA #36)	400,000
Fire Station 25 - Relocation (Alviso) (MBA #36)	200,000
Fire Station 34 (Berryessa) (MBA #36)	150,000
Fire Station Fire Station 35 (Cottle/Poughkeepsie) (MBA #36)	150,000
Fire Station Upgrades (MBA #36)	300,000
Fire Training Center (MBA #36)	750,000
Land Acquisition - Fire Station (MBA #36)	1,500,000

Subtotal of Incremental Adjustments 5,887,000

REVISED TOTAL USE OF FUNDS **\$ 104,581,661**

* Reflects Council actions taken on June 12, 2007 to revise the Mayor's June Budget Message.

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
WATER UTILITY CAPITAL FUND (500)

Total Source of Funds Per Proposed Budget (Page V - 171) 6,311,728

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 1,092,000

Subtotal of Incremental Adjustments 1,092,000

REVISED TOTAL SOURCE OF FUNDS **\$ 7,403,728**

Total Use of Funds Per Proposed Budget (Page V - 176) 6,311,728

Use of Funds Incremental Adjustments

 Forestwood Drive Main Replacement (MBA #36) 525,000

 Infrastructure Improvements (MBA #36) 100,000

 North Coyote Valley Water System (MBA #36) 70,000

 Norwood Pump Station Replacement (MBA #36) 20,000

 Reservoir Seismic Retrofit (MBA #36) 47,000

 Security Improvement (MBA #36) 190,000

 Service Installations (MBA #36) 70,000

 Villa Vista Reservoir Rehabilitation (MBA #36) 15,000

 Water Valve Rehabilitation (MBA #36) 55,000

Subtotal of Incremental Adjustments 1,092,000

REVISED TOTAL USE OF FUNDS **\$ 7,403,728**

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SAN JOSE/SANTA CLARA TREATMENT PLANT CAPITAL FUND (512)

Total Source of Funds Per Proposed Budget (Page V - 134) 92,258,969

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36) 17,842,000

Subtotal of Incremental Adjustments 17,842,000

REVISED TOTAL SOURCE OF FUNDS \$ 110,100,969

Total Use of Funds Per Proposed Budget (Page V - 138) 92,258,969

Use of Funds Incremental Adjustments

Alternative Disinfection (MBA #36) 6,291,000

Fire Line Replacement (MBA #36) 150,000

M5, Ring Buss and Cable Replacement (MBA #36) 788,000

Plant Infrastructure Improvements (MBA #36) 7,000,000

WPCP Reliability Improvements (MBA #36) 3,613,000

Subtotal of Incremental Adjustments 17,842,000

REVISED TOTAL USE OF FUNDS \$ 110,100,969

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT CAPITAL IMPROVEMENT FUND (520)

Total Source of Funds Per Proposed Budget (Page V - 721)	31,237,686
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	16,971,000	
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Subtotal of Incremental Adjustments	16,971,000
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REVISED TOTAL SOURCE OF FUNDS	\$	48,208,686
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Total Use of Funds Per Proposed Budget (Page V - 733)	31,237,686
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Use of Funds Incremental Adjustments

Airport Rescue and Fire Fighting Facility Upgrade (MBA #36)	834,000	
Fire Truck (MBA #36)	1,000,000	
Noise Attenuation Treatment - Category IB (MBA #36)	1,500,000	
Noise Monitoring Units (MBA #36)	717,000	
North Concourse Building (MBA #36)	12,672,000	
Taxiway Y Reconstruction (MBA #36)	147,000	
Taxiway Z Alignment (MBA #36)	101,000	

Subtotal of Incremental Adjustments	16,971,000
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REVISED TOTAL USE OF FUNDS	\$	48,208,686
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2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT REVENUE BOND IMPROVEMENT FUND (526)

Total Source of Funds Per Proposed Budget (Page V - 721) 884,414,911

Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	124,987,000
FMC Site Reuse Preparation (MBA #36)	13,000,000

Subtotal of Incremental Adjustments 137,987,000

REVISED TOTAL SOURCE OF FUNDS \$ 1,022,401,911

Total Use of Funds Per Proposed Budget (Page V - 733) 884,414,911

Use of Funds Incremental Adjustments

Airport Rescue and Fire Fighting Facility Upgrade (MBA #36)	201,000
Central Plant Expansion (MBA #36)	1,860,000
Consolidated Rental Car Facility (MBA #36)	2,800,000
Electrical Distribution System (MBA #36)	66,000
FMC Site Reuse Preparation (MBA #36)	13,000,000
Gate A1-C Relocation (MBA #36)	18,000
Master Plan Miscellaneous Precursor Projects (MBA #36)	4,122,000
North Concourse Building (MBA #36)	21,022,000
Public Parking Garage (MBA #36)	7,525,000
Terminal Area Improvement, Phase I (MBA #36)	60,670,000
Terminal Area Improvement, Phase II (MBA #36)	23,337,000
Utility Infrastructure (MBA #36)	1,166,000
Warehouse Building Maintenance (MBA #36)	100,000
West Side Airfield Reconstruction (MBA #36)	2,100,000

Subtotal of Incremental Adjustments 137,987,000

REVISED TOTAL USE OF FUNDS \$ 1,022,401,911

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT RENEWAL AND REPLACEMENT FUND (527)

Total Source of Funds Per Proposed Budget (Page V - 722) 6,527,174

Source of Funds Incremental Adjustments

 Beginning Fund Balance (MBA #36) 5,879,000

Subtotal of Incremental Adjustments 5,879,000

REVISED TOTAL SOURCE OF FUNDS **\$ 12,406,174**

Total Use of Funds Per Proposed Budget (Page V - 733) 6,527,174

Use of Funds Incremental Adjustments

Advanced Planning (MBA #36)	71,000
Airfield Improvements (MBA #36)	440,000
Airport Rescue and Fire Fighting Facility Feasibility (MBA #36)	25,000
AVI System Replacement (MBA #36)	788,000
Computerized Maintenance Management System (MBA #36)	589,000
Equipment, Operating (MBA #36)	437,000
Fire Truck (MBA #36)	241,000
FIS 3rd Floor Lounge Build-Out (MBA #36)	586,000
Fuel Farm Improvement and Clean-Up (MBA #36)	72,000
Fuel Tank Storage Repairs (MBA #36)	39,000
HVAC Repairs and Monitoring (MBA #36)	40,000
International Garbage Sterilization (MBA #36)	450,000
Land Improvements (MBA #36)	40,000
Master Plan Miscellaneous Precursor Projects (MBA #36)	372,000
Noise Attenuation Testing - Category III (MBA #36)	21,000
Noise Monitoring Units (MBA #36)	25,000
Pavement Maintenance (MBA #36)	115,000
Public Art (MBA #36)	850,000
Refurbish/Replacement of Parking Cashier Booths (MBA #36)	45,000
Refurbish/Replacement of Shuttle Bus Shelters (MBA #36)	79,000
Replace/Upgrade UPS at ACC (MBA #36)	10,000
Runway Guard Light Replacement (MBA #36)	58,000
Taxiway Z Alignment (MBA #36)	36,000
Terminal Area Improvement, Phase I (MBA #36)	709,000

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT RENEWAL AND REPLACEMENT FUND (527) (CONT'D.)

Use of Funds Incremental Adjustments (Cont'd.)		
Terminal Building Modifications (MBA #36)	143,000	
Terminal Elevator Repair (MBA #36)	93,000	
West Side Airfield Reconstruction (MBA #36)	50,000	
Ending Fund Balance (MBA #36)	(545,000)	
Subtotal of Incremental Adjustments		5,879,000
REVISED TOTAL USE OF FUNDS	\$	12,406,174

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
AIRPORT PASSENGER FACILITY CHARGE FUND (529)

Total Source of Funds Per Proposed Budget (Page V - 722)	55,480,712
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	31,816,000
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Subtotal of Incremental Adjustments	31,816,000
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REVISED TOTAL SOURCE OF FUNDS	\$	87,296,712
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Total Use of Funds Per Proposed Budget (Page V - 733)	55,480,712
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Use of Funds Incremental Adjustments

Noise Attenuation Treatment - Category IB (MBA #36)	5,160,000
Noise Attenuation Treatment - Category II/III (MBA #36)	439,000
Taxiway Y Reconstruction (MBA #36)	1,800,000
Terminal Area Improvement, Phase I (MBA #36)	24,417,000

Subtotal of Incremental Adjustments	31,816,000
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REVISED TOTAL USE OF FUNDS	\$	87,296,712
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2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT
SANITARY SEWER CONNECTION FEE FUND (540)

Total Source of Funds Per Proposed Budget (Page V - 47)		6,319,177
Source of Funds Incremental Adjustments		
Beginning Fund Balance (MBA #36)	8,786,000	
Subtotal of Incremental Adjustments		8,786,000
REVISED TOTAL SOURCE OF FUNDS	\$	15,105,177
Total Use of Funds Per Proposed Budget (Page V - 55)		6,319,177
Use of Funds Incremental Adjustments		
Cheney Drive Sanitary Sewer Rehabilitation (MBA #36)	350,000	
Edenvale Sanitary Sewer Supplement Phase VA and VB (MBA #36)	8,240,000	
Flow Monitoring Program (Master Planning) (MBA #36)	50,000	
IT Costs - CIP Database Enhancement Project (MBA #36)	6,000	
Monterey-Riverside Supplement (MBA #36)	140,000	
Subtotal of Incremental Adjustments		8,786,000
REVISED TOTAL USE OF FUNDS	\$	15,105,177

2007-2008
REVISED SOURCE AND USE OF FUNDS STATEMENT

SEWER SERVICE & USE CHARGE CAPITAL IMPROVEMENT FUND (545)

Total Source of Funds Per Proposed Budget (Page V - 48)	25,947,149
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Source of Funds Incremental Adjustments

Beginning Fund Balance (MBA #36)	11,444,000
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Subtotal of Incremental Adjustments	11,444,000
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REVISED TOTAL SOURCE OF FUNDS	\$	37,391,149
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Total Use of Funds Per Proposed Budget (Page V - 55)	25,947,149
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Use of Funds Incremental Adjustments

60" Brick Interceptor, Phase VIA and VIB (MBA #36)	50,000
84" RCP Interceptor, Phases VB, VIB, VII & VIIA (MBA #36)	1,000,000
Edenvale Sanitary Sewer Supplement Phase VA and VB (MBA #36)	9,000,000
Flow Monitoring Program (Master Planning) (MBA #36)	1,000,000
Forest-Rosa Sewer (MBA #36)	10,000
Geographic Information System (GIS) (MBA #36)	15,000
Hobson-Walnut Area (MBA #36)	175,000
Hydrogen Peroxide Injection Station (MBA #36)	164,000
Rosemary Area (MBA #36)	30,000

Subtotal of Incremental Adjustments	11,444,000
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REVISED TOTAL USE OF FUNDS	\$	37,391,149
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