

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
AIRPORT CAPITAL IMPVT FUND (520)				
<i>Airport Rescue and Fire Fighting (ARFF) Vehicle/Earned Revenue</i>	Airport Capital Program		\$858,000	\$858,000
<p>This action advances funding for the purchase of an ARFF truck and increases the estimate for Earned Revenue by \$858,000. Federal Aviation Administration's (FAA) focus for allocation of Airport Improvement Project (AIP) grant funds in 2016 is on safety projects. FAA grant funding has been identified as available in the current year to fund the purchase of a replacement Fire truck for Airport Station 20. The replacement of the ARFF vehicle is a priority for the Airport. Grant funding will allow the Airport to advance the purchase of this vehicle from 2016-2017 to 2015-2016. A corresponding action in the Airport Revenue Bond Improvement Fund is recommended elsewhere in this report to fund the local share amount of \$207,000.</p>				
<i>Perimeter Security Technology Infrastructure/Earned Revenue</i>	Airport Capital Program		\$2,418,000	\$2,418,000
<p>This action increases the Perimeter Security Technology Infrastructure appropriation and estimate for Earned Revenue by \$2,418,000. These funds will provide for technology and analytics to detect and deter unauthorized access to the Airport airfield and terminals including installation of passenger exit lane breach control measures. Federal Aviation Administration's (FAA) focus for allocation of Airport Improvement Project (AIP) grant funds in 2016 is on safety projects. FAA grant funding has been identified to install a more robust perimeter security upgrade than originally included in the Airport Capital Improvement Program. The Perimeter Security Technology Infrastructure project is a priority that will help to detect and deter unauthorized Airport access. A corresponding action in the Airport Revenue Bond Improvement Fund is recommended elsewhere in this report to fund the local share amount of \$583,000.</p>				
<i>Southeast Ramp Reconstruction/Earned Revenue</i>	Airport Capital Program		\$3,500,000	\$3,500,000
<p>This action establishes a Southeast Ramp Reconstruction appropriation and increases the estimate for Earned Revenue by \$3,500,000 to advance Phase I funding for reconstruction of the Airport's existing southeast cargo ramp. This project will reconstruct approximately 182,000 square feet of existing ramp concrete that is over 40 years old and in poor condition. Federal Aviation Administration's (FAA) focus for allocation of Airport Improvement Project (AIP) grant funds in 2016 is on safety projects. FAA grant funding has been identified as available in the current year to advance this multi-year ramp reconstruction project. Phase I and II project costs are anticipated to total \$8,835,000. A corresponding action in the Airport Revenue Bond Improvement Fund is recommended elsewhere in this report to fund the local share amount of \$843,000 for the Phase I project.</p>				
TOTAL AIRPORT CAPITAL IMPVT FUND (520)			\$6,776,000	\$6,776,000
AIRPORT MAINT & OPER FUND (523)				
<i>Operations Contingency</i>	Airport		(\$4,000)	
<p>This action decreases the Airport's Operations Contingency Reserve to offset the actions recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

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AIRPORT MAINT & OPER FUND (523)				
<i>Personal Services (Hiring True-Up)</i>	Planning, Bldg, & Code Enf		\$4,000	
<p>This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$4,000 (from \$42,283 to \$46,283) due to higher than budgeted salary costs. During the development of the 2015-2016 Adopted Budget, vacant positions were budgeted at a mid-range salary level; however, the incumbents that filled the vacancies were hired at a higher salary level. A corresponding decrease to the Airport Operations Contingency Reserve is also recommended in this report to offset this action.</p>				
TOTAL AIRPORT MAINT & OPER FUND (523)			\$0	\$0
AIRPORT REV BOND IMP FUND (526)				
<i>Airport Rescue and Fire Fighting (ARFF) Vehicle</i>	Airport Capital Program		\$207,000	
<p>This action provides local share funding for the purchase of an ARFF Vehicle. Federal Aviation Administration (FAA) grant funding has been identified to support the purchase of a replacement Airport Rescue and Fire Fighting Truck for Airport Station 20. The replacement of the ARFF vehicle is a priority for the Airport, and the grant funding will allow the Airport to advance the purchase of this vehicle from 2016-2017 to 2015-2016. A corresponding action in the Airport Capital Improvement Fund to recognize the grant funding of \$858,000 and increase the project appropriation is recommended elsewhere in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Airport Capital Program		\$1,157,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>PG&E Powerline Relocation</i>	Airport Capital Program		(\$3,000,000)	
<p>This action eliminates the Airport PG&E Powerline Relocation appropriation. Negotiations to relocate an existing Pacific Gas and Electric (PG&E) powerline running through the airfield in preparation of phase II of the Terminal Area Improvement Program (TAIP) have not been successful, therefore the project is not feasible at this time. Project funds will be reallocated and used to partially offset the funding of other projects recommended in this fund.</p>				
<i>Perimeter Security Technology Infrastructure</i>	Airport Capital Program		\$583,000	
<p>This action provides local share funding for the Perimeter Security Technology Infrastructure project. This project combines technology and analytics to detect and deter unauthorized access to the airfield and terminals. Federal Aviation Administration (FAA) grant funding has been identified to install a more robust perimeter security upgrade than originally included in the Airport Capital Improvement Program. A corresponding action in the Airport Capital Improvement Fund to recognize the grant funding of \$2.4 million and increase the project appropriation is recommended elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

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AIRPORT REV BOND IMP FUND (526)				
<i>Southeast Area IT Infrastructure Relocation</i>	Airport Capital Program		\$1,110,000	
<p>This action establishes the Southeast Area IT Infrastructure Relocation appropriation in the amount of \$1,110,000. This project relocates existing IT communications infrastructure located at 1387 Airport Blvd. The building that houses the equipment and adjacent structures are scheduled for demolition in the near future. The relocation of this equipment allows the full demolition of these structures to take place, freeing up the area for better future uses. Funding for this project is available from downward adjustments to other projects recommended in this fund.</p>				
<i>Southeast Ramp Reconstruction</i>	Airport Capital Program		\$843,000	
<p>This action establishes the Southeast Ramp Reconstruction appropriation to represent the local share funding for Phase I of the reconstruction of the existing southeast cargo ramp. The project will reconstruct approximately 182,000 square feet of existing concrete that is over 40 years old and in poor condition. Federal Aviation Administration grant funding has been identified as available in the current year to advance this multi-year ramp reconstruction project. A corresponding action in the Airport Capital Improvement Fund to recognize the grant funding of \$3.5 million and increase the project appropriation is also recommended.</p>				
<i>Terminal A Ramp Lighting</i>	Airport Capital Program		(\$900,000)	
<p>This action eliminates the Terminal A Ramp Lighting appropriation. Funding for this project was intended to enhance existing ramp lighting behind Terminal A; instead, Airport staff designed an in-house solution by adding lighting on new poles. Concerns raised by Airlines for improved lighting for ground handlers and ramp workers has been successfully addressed and the current project funding is no longer needed. Project funds will be reallocated and used to partially offset the funding of other projects recommended in this fund.</p>				
TOTAL AIRPORT REV BOND IMP FUND (526)			\$0	\$0
BENEFIT FUND (160)				
<i>401(a) Defined Contribution Retirement Plan/Transfers</i>	Human Resources		\$10,000	\$10,000
<p>This action increases the 401(a) Defined Contribution Retirement Plan appropriation and corresponding revenue estimate for Transfers from various City funds by \$10,000 (from \$100,000 to \$110,000). Based on the current trend, it is anticipated that the City's contributions to the Tier 3 401(a) retirement plan will exceed the activity through December due to an increase in newly hired employees in Unit 99 opting into Tier 3 in lieu of Tier 2B.</p>				
<i>FICA-Medicare/Transfers</i>	Human Resources		\$215,000	\$215,000
<p>This action increases the FICA-Medicare appropriation and corresponding revenue estimate for Transfers from various City funds by \$215,000 (from \$7.39 million to \$7.60 million). This reflects a higher number of filled positions and higher salary costs than assumed in the development of the 2015-2016 Adopted Budget, generating additional costs that are supported by various City funds.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BENEFIT FUND (160)				
<i>PTC 457/Transfers</i>	Human Resources		\$100,000	\$100,000
<p>This action increases the Part-Time, Temporary, and Contractual (PTC) 457 appropriation and corresponding revenue estimate for Transfers from various City funds by \$100,000 (from \$1.1 million to \$1.2 million) to reflect higher expenditures. The PTC 457 Plan is a Deferred Compensation Plan required for employees that are not covered by one of the City of San José's retirement systems (Federated or Police and Fire). Per federal regulations, the PTC 457 Plan requires employee and employer contributions. This appropriation and corresponding revenue track the employer contributions to the PTC 457 Plan, which has been tracking at higher levels than was assumed in the development of the 2015-2016 Adopted Budget.</p>				
TOTAL BENEFIT FUND (160)			\$325,000	\$325,000
BLDG & STRUCT CONST TAX FD (429)				
<i>Downing Avenue Pedestrian and Bicycle Improvements/Earned Revenue</i>	Traffic Capital Program		\$300,000	(\$275,000)
<p>This action increases the Downing Avenue Pedestrian and Bicycle Improvements project by \$300,000 (from \$500,000 to \$800,000) due to increased construction costs and staffing resource challenges and decreases the corresponding Earned Revenue estimate by \$275,000 (from \$340,000 to \$65,000) as a result of delays in the construction phase of the project. This project constructs missing sidewalks to provide a continuous sidewalk along Downing Avenue, creating a pedestrian-friendly environment and enhancing school safety in the neighborhood. Full project funding will be encumbered this fiscal year, and the final Safe Routes to School grant reimbursement will be reprogrammed to the 2016-2017 Proposed Capital Budget.</p>				
<i>Earned Revenue (Ocala Avenue Pedestrian Improvements)</i>	Traffic Capital Program			(\$780,000)
<p>This action decreases the Earned Revenue estimate for the Ocala Avenue Pedestrian Improvements project by \$780,000 (from \$941,000 to \$161,000) to reflect a delay in reimbursement from the Federal Highway Safety Improvement Program. The start of the construction phase has been rescheduled to 2016-2017 due to a delay in receiving Caltrans authorization. This project provides funding to install a traffic signal and construct sidewalk and raised medians on Ocala Avenue. The project will be encumbered this fiscal year, but construction will not begin until 2016-2017. The grant reimbursement from the Federal Highway Safety Improvement Program will be reprogrammed to the 2016-2017 Capital Budget.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<i>Earned Revenue (Transportation Incident Management Center)</i>	Traffic Capital Program			(\$525,000)
<p>This action decreases the Earned Revenue estimate for the Transportation Incident Management Center by \$525,000 (from \$1,240,000 to \$715,000) to reflect a delay in grant reimbursement from the Federal Highway Administration's High Priority Projects' grant, resulting from the delay in awarding the contract for the Event Tracking System. The contract award is currently planned for this fiscal year, and the project funds will be encumbered. A portion of the grant reimbursement will be reprogrammed to the 2016-2017 Proposed Capital Budget based on the timing of the reimbursement for actual expenditures.</p>				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		(\$1,660,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Park Avenue Bicycle Lane Improvements/Earned Revenue</i>	Traffic Capital Program		(\$700,000)	(\$655,000)
<p>This action decreases the Park Avenue Bicycle Lane Improvements project by \$700,000 (from \$759,000 to \$59,000) and corresponding Earned Revenue estimate by \$655,000 (from \$686,000 to \$31,000) due to delays in the design phase of the project as a result of staffing resource challenges. This project improves existing bicycle lanes on Park Avenue between Newhall and S. Market Streets. Based on the project timing, it is anticipated that the Federal Highway Safety Improvement grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.</p>				
<i>Park Avenue Multimodal Improvements/Earned Revenue</i>	Traffic Capital Program		(\$1,200,000)	(\$985,000)
<p>This action decreases the Park Avenue Multimodal Improvements project by \$1,200,000 (from \$1,505,000 to \$305,000) and corresponding Earned Revenue estimate by \$985,000 (from \$1,000,000 to \$15,000) due to a delay in the design phase resulting from staffing resource challenges. This caused a subsequent delay in the construction phase of the project. This project funds pedestrian and bicycle improvements along Park Avenue between Hedding Street and Montgomery Street. Based on the project timing, it is anticipated that the Federal Community Design and Transportation grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.</p>				
<i>Safety - Traffic Signal Modifications/Construction/Earned Revenue</i>	Traffic Capital Program		\$18,000	\$18,000
<p>This action increases the Safety - Traffic Signal Modifications/Construction project and corresponding Earned Revenue estimate by \$18,000 to reflect actual traffic impact fees collected from developers through December 2015. These funds are used for traffic signal installation or improvements of existing signal facilities along major roadways to help prevent injury crashes.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BLDG & STRUCT CONST TAX FD (429)				
<i>St. John Bike/Pedestrian Improvements (OBAG)/Earned Revenue</i> This action decreases the St. John Bike/Pedestrian Improvements project by \$900,000 (from \$1.2 million to \$361,000) and corresponding Earned Revenue estimate for the One Bay Area Grant (OBAG) by \$600,000 (from \$600,000 to \$0). The design phase of the project will require additional time due to staffing resource challenges within the Department. Based on the project timing, it is anticipated that the grant revenue and majority of the project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.	Traffic Capital Program		(\$900,000)	(\$600,000)
<i>St. John Multimodal Improvements Phase 1/Earned Revenue</i> This action decreases the St. John Multimodal Improvements Phase 1 project by \$1.4 million (from \$1.75 million to \$350,000) and eliminates the corresponding Earned Revenue estimate of \$750,000 due to additional time required for the design phase of the project because of staffing resource challenges within the Department. This project provides funding to construct pedestrian-oriented improvements along St. John Street between North San Pedro Street and Montgomery Street. Based on the project timing, it is anticipated that the Federal Community Design and Transportation grant revenue and the majority of the project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.	Traffic Capital Program		(\$1,400,000)	(\$750,000)
<i>The Alameda "Beautiful Way" Phase 2 (OBAG)/Earned Revenue</i> This action decreases The Alameda "Beautiful Way" Phase 2 project by \$2,500,000 (from \$2,905,419 to \$405,419) and corresponding Earned Revenue estimate by \$3,490,000 (from \$3,500,000 to \$10,000). Project delays have pushed back the award of the construction contract to the summer of 2016. This project provides funding for the construction of pedestrian infrastructure improvements on The Alameda. Based on the project timing, it is anticipated that the grant revenue from the One Bay Area Grant (OBAG) and the majority of the project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.	Traffic Capital Program		(\$2,500,000)	(\$3,490,000)
TOTAL BLDG & STRUCT CONST TAX FD (429)			(\$8,042,000)	(\$8,042,000)

BRANCH LIB BOND PROJECT FD (472)

<i>Alviso Branch Reconfiguration</i> This action decreases the Alviso Branch Reconfiguration project by \$150,000 (from \$300,000 to \$150,000) due to the deferral of bond sale proceeds and project delays. This funding will instead be programmed as part of the 2017-2021 Proposed Capital Improvement Program. The following activities will occur in 2015-2016: plans for layout of the new configuration, as well as reconfiguration of the staff work room, staff breakroom, and teen room. A corresponding decrease to the estimate for Earned Revenue is recommended to offset this action in this report.	Library Capital Program		(\$150,000)	
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Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BRANCH LIB BOND PROJECT FD (472)				
<i>Bond Projects Services Consultant</i>	Library Capital Program		(\$5,000)	
This action eliminates the Bond Projects Services Consultant project by \$5,000 as this funding is no longer needed since the bond program is concluding. A corresponding action to the Library Bond Projects Contingency Reserve is recommended to offset this action in this report.				
<i>Branch Efficiency Projects</i>	Library Capital Program		(\$1,239,000)	
This action decreases the Branch Efficiency Projects by \$1.2 million (from \$1.9 million to \$700,000) to offset the deferral of bond sale proceeds. This funding will instead be programmed as part of the 2017-2021 Proposed Capital Improvement Program. In 2015-2016, the funded projects include installation of security cameras and the Automated Material Handling system. A corresponding decrease to the estimate for Earned Revenue is recommended to offset this action in this report.				
<i>Earned Revenue (Sale of Bonds)</i>	Library Capital Program			(\$5,905,000)
This action decreases the estimate for Earned Revenue by \$5.9 million to reflect the deferral of the sale of the remaining \$5.9 million of the \$212 million General Obligation Bonds approved by San José voters in November 2000. As the timing of certain projects included in the Library Capital Program for 2015-2016 could be modestly shifted without negatively impacting public service delivery, and to best prioritize the workload of the Finance Department and City Attorney's Office, the Administration recommends deferring the final bond sale to 2016-2017. Offsetting actions to decrease several appropriations and the Library Bond Projects Contingency Reserve as well as increase the transfer from the Library Construction and Conveyance Tax Fund are also recommended in this report.				
<i>Library Bond Projects Contingency Reserve</i>	Library Capital Program		(\$2,488,000)	
This action decreases the Library Bond Projects Contingency Reserve by \$2.5 million to offset the actions recommended in this report.				
<i>Materials Handling Technology</i>	Library Capital Program		(\$400,000)	
This action decreases the Materials Handling Technology project by \$400,000 (from \$1.4 million to \$1.0 million) as a portion of the project was not bond eligible and will be funded through the Library Construction and Conveyance Tax Fund. A corresponding action to the Library Bond Projects Contingency Reserve is recommended to offset this action in this report.				
<i>Miscellaneous Post Construction Costs</i>	Library Capital Program		(\$223,000)	
This action decreases the Miscellaneous Post Construction Costs project by \$223,000 (from \$223,000 to \$0). Only a portion of this funding (\$87,000) is needed and will instead be programmed as part of the 2017-2021 Proposed Capital Improvement Program to address any post construction costs associated with the Village Square Branch Library, which is projected to be completed in spring 2016. A corresponding action to the Library Bond Projects Contingency Reserve is recommended to offset this action in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
BRANCH LIB BOND PROJECT FD (472)				
<i>Transfer from Library Construction and Conveyance Tax Fund</i>	Library Capital Program			\$1,400,000
<p>This action increases the Transfer from Library Construction and Conveyance Tax Fund by \$1.4 million (from \$700,000 to \$2.1 million) to accelerate the reimbursement to the Bond Fund for capital expenditures that have been determined as ineligible to be reimbursed from bond proceeds. These transfers had been programmed in 2016-2017 and 2017-2018 but are being accelerated to partially offset the deferral of the sale of bond proceeds. Corresponding decreases to the estimate for Earned Revenue and the Library Bond Projects Contingency Reserve are recommended to offset this action in this report.</p>				
TOTAL BRANCH LIB BOND PROJECT FD (472)			(\$4,505,000)	(\$4,505,000)
BUSINESS IMPVT DIST FUND (351)				
<i>Ending Fund Balance Adjustment (Unrestricted - Hotel BID)</i>	Economic Development		(\$150,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Ending Fund Balance Adjustment (Unrestricted - Willow Glen CBID)</i>	Economic Development		(\$15,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Hotel Business Improvement District</i>	Finance		\$150,000	
<p>This action increases the Hotel Business Improvement District appropriation by \$150,000 (from \$4.2 million to \$4.4 million) to reflect the allocation of assessments collected from the Hotel Business Improvement District (BID). The Hotel BID will use these funds for maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities. A corresponding decrease to the Ending Fund Balance for Hotel BID is recommended to offset this action elsewhere in this report.</p>				
<i>Willow Glen Community Benefit District</i>	Public Works		\$15,000	
<p>This action increases the Willow Glen Community Benefit District appropriation by \$15,000 (from \$320,000 to \$335,000) to reflect the allocation of prior year assessments collected from the Willow Glen Community Benefit District (CBD). The Willow Glen CBD will use these funds for maintenance of parking facilities, aesthetic enhancements, and promotion of public events and general business activities. A corresponding decrease to the Ending Fund Balance for Willow Glen CBID is recommended to offset this action elsewhere in this report.</p>				
TOTAL BUSINESS IMPVT DIST FUND (351)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
COMM DEV BLOCK GRANT FUND (441)				
<i>Legal Services</i>	City Attorney		(\$15,000)	
This action decreases the Legal Services appropriation by \$15,000 (from \$20,555 to \$5,555) to reflect lower than anticipated legal services needed for Community Development Block Grant Fund activities. A corresponding increase to the Ending Fund Balance is recommended below to offset this action.				
<i>Ending Fund Balance Adjustment</i>	Housing		\$15,000	
This action increases the Ending Fund Balance to offset the action recommended above.				
TOTAL COMM DEV BLOCK GRANT FUND (441)			\$0	\$0
COMMTY FACIL REVENUE FUND (422)				
<i>Ending Fund Balance Adjustment</i>	Finance		(\$105,000)	
This action decreases the Ending Fund Balance to offset the actions recommended in this report.				
<i>Hayes Consultant Costs</i>	Finance		\$10,000	
This action increases the Hayes Consultant Costs appropriation by \$10,000 due to the increase in the contract for the asset manager fees. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action in this report.				
<i>Hayes Repair and Capital Improvements</i>	Finance		\$95,000	
This action increases the Hayes Repair and Improvements appropriation by \$95,000 (from \$1.8 million to \$1.9 million). Per the agreement between the City and Dolce, 4% of gross revenues is to be used for repairs and capital improvements. Based on this distribution formula, an adjustment to the repairs and capital improvements allocation is necessary based on actual 2014-2015 revenues. Additional revenue as received in 2014-2015, including additional room and catering revenues from conference business and reimbursement from Wyndham for previous capital expenditures, as a result of the Wyndham/Dolce merger that occurred in late 2014-2015. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action in this report.				
TOTAL COMMTY FACIL REVENUE FUND (422)			\$0	\$0
CONST/CONV TAX CENTRAL FD (390)				
<i>Ending Fund Balance Adjustment</i>	Parks & Comm Fac Dev Capital Program		(\$50,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX CENTRAL FD (390)				
<i>Unanticipated or Critical Repairs</i>	Parks & Comm Fac Dev Capital Program		\$50,000	
<p>This action increases the Unanticipated or Critical Repairs project by \$50,000, bringing the 2015-2016 allocation to \$300,000. Funding of \$250,000 is allocated annually from the Parks Central Construction and Conveyance Tax Fund for unanticipated or critical repair needs that may arise throughout the year at City park and recreational facilities. However, due to the excessive rain that is anticipated in winter 2016, additional funds may be necessary for flood mitigation devices and storm related repairs. Any funding not needed for mitigation devices or other critical repairs that arise may be returned to the Central Construction and Conveyance Tax Fund as part of the 2015-2016 Annual Report process. A corresponding decrease to the Ending Fund Balance is recommended to offset this action in this report.</p>				
TOTAL CONST/CONV TAX CENTRAL FD (390)			\$0	\$0
CONST/CONV TAX FIRE FUND (392)				
<i>Capital Project Management</i>	Public Safety Capital Program		\$200,000	
<p>This action increases the Capital Project Management appropriation by \$200,000, from \$407,000 to \$607,000, to primarily reflect continued support for the Public Safety Capital bond projects. When the 2015-2016 Adopted Budget was developed, this allocation was significantly reduced due to the wind down of the bond projects. However, support from a Fire Captain position has continued to be needed through the first half of the year. With the anticipated completion of the bond-funded Fire Station 21 in January 2016, the Fire Captain will be reassigned back to the line. A decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Safety Capital Program		(\$238,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Fire Data System</i>	Public Safety Capital Program		\$30,000	
<p>This action increases the Fire Data System appropriation by \$30,000 to fund the purchase of three new servers. An upgrade to the TeleStaff server is necessary as the vendor no longer support's the Fire Department's current system. In addition, an upgrade to the FireHouse production and test servers are necessary as the current system is no longer supported by the vendor and Microsoft. A decrease to the Ending Fund Balance is recommended to offset this action in this report.</p>				
<i>Mobile Testing Equipment for Fire Pumps</i>	Public Safety Capital Program		\$8,000	
<p>This action establishes the Mobile Test Equipment appropriation by \$8,000 to pay for sales tax, which was inadvertently omitted for the purchasing calculations from a recently purchases fire pump. A decrease to the Ending Fund Balance is recommended to offset this action in this report.</p>				
TOTAL CONST/CONV TAX FIRE FUND (392)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX LIBRARY FD (393)				
Ending Fund Balance Adjustment	Library Capital Program		(\$1,400,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Transfer to the Branch Libraries Bond Projects Fund	Library Capital Program		\$1,400,000	
This action increases the Transfer to the Branch Libraries Bond Projects Fund by \$1.4 million (from \$700,000 to \$2.1 million) to transfer Library Construction and Conveyance Tax funds to reimburse the Bond Fund for capital expenditures that have been determined as ineligible to be reimbursed from bond proceeds. This action accelerates the reimbursements that had been programmed in 2016-2017 and 2017-2018 in the 2016-2020 Adopted Capital Improvement Program to partially offset the deferral of the bond sale in the Library Bond Fund. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				
TOTAL CONST/CONV TAX LIBRARY FD (393)			\$0	\$0
CONST/CONV TAX PK CD 6 FUND (384)				
Ending Fund Balance Adjustment	Parks & Comm Fac Dev Capital Program		(\$250,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
River Glen Neighborhood Center Replacement	Parks & Comm Fac Dev Capital Program		\$250,000	
This action increases the River Glen Neighborhood Center Replacement project by \$250,000, bringing the 2015-2016 allocation to \$575,000. Project elements include demolishing the existing neighborhood center at River Glen Park and constructing a concession building, which will include a restroom. Additional project funding is necessary due to design, construction, and inspection costs being higher than initially anticipated. The new concession building is anticipated to be completed in summer 2016 and will be used by the Little League and the Parks, Recreation and Neighborhood Services Department. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action in this report.				
TOTAL CONST/CONV TAX PK CD 6 FUND (384)			\$0	\$0
CONST/CONV TAX PKS CW FUND (391)				
Ending Fund Balance Adjustment	Parks & Comm Fac Dev Capital Program		\$85,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONST/CONV TAX PKS CW FUND (391)				
<i>Super Bowl 50 - Strategic Capital Replacement and Maintenance Needs</i>	Parks & Comm Fac Dev Capital Program		(\$85,000)	
<p>This action decreases the Strategic Capital Replacement and Maintenance Needs allocation by \$85,000, bringing the 2015-2016 funding to \$265,000. The 2014-2015 Annual Report included an allocation of \$150,000 to replace the existing turf at Plaza de César Chavez, which receives a heavy amount of foot traffic during Christmas in the Park. In previous years, the turf was re-seeded once Christmas in the Park concluded, however, this year there will not be enough time for the turf to be restored before visitors arrive for Super Bowl 50. When Christmas in the Park completed, it was determined that the entire turf did not need to be replaced, only certain sections, which resulted in project savings of \$85,000. A corresponding increase to the Ending Fund Balance is recommended to offset this action in this report.</p>				
TOTAL CONST/CONV TAX PKS CW FUND (391)			\$0	\$0
CONSTRUCTION EXCISE TAX FD (465)				
<i>Bicycle and Pedestrian Facilities/Earned Revenue</i>	Traffic Capital Program		(\$1,200,000)	(\$1,200,000)
<p>This action decreases the Bicycle and Pedestrian Facilities project by \$1.2 million (from \$2.2 million to \$1.0 million) and corresponding Earned Revenue estimate by \$1.2 million due to project implementation delays. This project is funded by a Transportation Development Act (TDA) grant. Based on project timing, it is anticipated that the grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.</p>				
<i>Bikeways Program (OBAG)/Earned Revenue</i>	Traffic Capital Program		(\$1,150,000)	(\$650,000)
<p>This action decreases the Bikeways Program (OBAG) appropriation by \$1.15 million (from \$1.2 million to \$82,000) and decreases the corresponding Earned Revenue estimate of \$650,000 due to rescoping the project, which has pushed out the timeline for implementation. This grant funds the installation of various bicycle facilities, including bike lanes and storage lockers. Based on project timing, it is anticipated that the One Bay Area Grant (OBAG) revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action elsewhere in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Earned Revenue (Pedestrian Oriented Traffic Signals (OBAG))</i>	Traffic Capital Program			(\$1,000,000)
<p>This action decreases the Earned Revenue estimate for One Bay Area Grant (OBAG) funded Pedestrian Oriented Traffic Signals project by \$1.0 million (from \$2.7 million to \$1.7 million) as a result of a delay in the award of the construction contracts. Only two of four contracts have been awarded, and it is anticipated that this project will be awarded in multiple contracts by summer 2016. This project provides funding to construct pedestrian-oriented improvements along St. John Street between North San Pedro Street and Montgomery Street. Based on the project timing, it is anticipated that the grant revenue will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding decrease to Ending Fund Balance is also recommended to offset this action elsewhere in this report.</p>				
<i>East San José Bike/Pedestrian Transit Connection (OBAG)/Earned Revenue</i>	Traffic Capital Program		(\$2,000,000)	(\$2,000,000)
<p>This action decreases the East San José Bike/Pedestrian Transit Connection project and corresponding Earned Revenue estimate for One Bay Area Grant (OBAG) funded East San José Bike/Pedestrian Transit Connection project by \$2,000,000 (from \$2.5 million to \$528,000) because of a revised timeline and scope for the project. The original project identified for this grant was completed by leveraging existing pavement maintenance funds. This grant provides funding for improvements to the bikeway network, including bike lanes and racks. The Department of Transportation will reach out to the community to identify a new project for the grant, which is planned to start construction in spring 2017. The OBAG revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget.</p>				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		(\$1,438,000)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Evergreen Traffic Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$71,778	\$71,778
<p>This action increases the Evergreen Traffic Impact Fees Reserve and corresponding Earned Revenue estimate by \$71,778 to reflect actual traffic impact fees collected from developers through December 2015. The use of these funds are restricted to traffic improvements within the Evergreen area and will be allocated as projects are identified.</p>				
<i>North San José Deficiency Plan Improvements/Earned Revenue</i>	Traffic Capital Program		\$163,000	\$163,000
<p>This action increases the North San José Deficiency Plan Improvements appropriation and corresponding estimate for Earned Revenue by \$163,000 to recognize unanticipated Deficiency Plan fees that were collected from a developer.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>North San José Traffic Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$252,940	\$252,940
This action increases the North San José Traffic Impact Fees Reserve and corresponding Earned Revenue estimate by \$252,940 to reflect actual traffic impact fees collected from developers through December 2015. The use of these funds are restricted to traffic improvements within the North San José area and will be allocated as projects are identified.				
<i>Pavement Maintenance - Measure B/Earned Revenue</i>	Traffic Capital Program		\$766,144	\$766,144
This action increases the Pavement Maintenance - Measure B appropriation by \$766,144 (from \$11,580,648 to \$10,814,504) and corresponding Earned Revenue estimate by \$766,144 (from \$5,400,000 to \$6,166,144) to recognize Measure B revenue received over the estimate. This allocation, funded by the County Measure B vehicle registration fees, provides funding to seal and resurface streets in the Priority Streets Network throughout the City.				
<i>Route 101/Oakland/Mabury Traffic Impact Fees Reserve/Earned Revenue</i>	Traffic Capital Program		\$349,130	\$349,130
This action increases the Route 101/Oakland/Mabury Traffic Impact Fees Reserve and corresponding estimate for Earned Revenue by \$349,130 to reflect actual traffic impact fees collected from developers through December 2015. The use of these funds are restricted to traffic improvements within the Route 101/Oakland/Mabury area and will be allocated as projects are identified.				
<i>Safe Access San José/Earned Revenue</i>	Traffic Capital Program		(\$200,000)	(\$100,000)
This action decreases the Safe Access San José project by \$200,000 (\$391,000 to \$191,000) and the corresponding Earned Revenue estimate by \$100,000 (from \$244,000 to \$144,000) due to delays in a companion project, Walk n' Roll San José Phase 1, which will be completed this fiscal year. Safe Access San José provides funding for traffic and pedestrian safety improvements along designated safe routes to school at approximately 35 Walk n' Roll participant schools. Based on project timing, it is anticipated that the grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding increase to Ending Fund Balance is also recommended to offset this action in this report.				
<i>Safe Routes to School Program (OBAG)/Earned Revenue</i>	Traffic Capital Program		(\$800,000)	(\$1,017,000)
This action decreases the Safe Routes to School Program (OBAG) project by \$800,000 (from \$896,000 to \$96,000) and corresponding Earned Revenue estimate for the One Bay Area Grant (OBAG) by \$1.0 million (from \$1.1 million to \$130,000) because the Transportation Department has prioritized the completion of the related school and pedestrian safety project, Walk n' Roll San José, which will be completed this fiscal year. The Safe Routes to School Program OBAG grant expiration date is planned to be extended to correspond to the revised timeline for the project. Based on project timing, it is anticipated that the grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding increase to Ending Fund Balance is also recommended to offset this action in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Traffic Forecasting and Analysis</i>	Traffic Capital Program		\$226,000	
<p>This action increases the Traffic Forecasting and Analysis appropriation by \$226,000 (from \$200,000 to \$426,000) to provide funding for an engineering services consultant, which was inadvertently omitted during the development of the 2015-2016 Adopted Capital Budget. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action elsewhere in this report.</p>				
<i>Transportation Demand Management/Earned Revenue</i>	Traffic Capital Program		\$400,000	(\$200,000)
<p>This action increases the Transportation Demand Management project by \$400,000 (from \$500,000 to \$900,000) and decreases the corresponding Earned Revenue estimate by \$200,000 (from \$500,000 to \$300,000). The Department of Transportation is accelerating the timeline for the project, and the funding will allow for the award of a consultant agreement this fiscal year as opposed to 2016-2017 as originally planned. Grant eligible reimbursements have been delayed until Caltrans obligates the Climate Initiative Funds grant funding, which is anticipated by spring 2016. This project provides funding for a three-year community-based social marketing program that aims to measurably reduce driving and increase transit, walking, and biking in several neighborhoods in Central San José. It is anticipated that the grant revenue and will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action elsewhere in this report.</p>				
<i>Walk n' Roll San José Phase 1</i>	Traffic Capital Program		\$95,000	
<p>This action increases the Walk n' Roll San José Phase 1 project by \$95,000 (from \$12,000 to \$107,000) to provide additional traffic safety programming. Walk n' Roll San José Phase 1 is a three-year program to encourage kids to walk or bike to school to improve health, get exercise, and help reduce traffic congestion in local neighborhoods by developing and implementing a walking and bicycle education program for elementary schools. In 2013-2014, the City received a reimbursement of \$125,000 from Caltrans related to the Walk 'n Roll grant program for overhead and related soft costs that were later deemed ineligible under program guidelines. The City has the option of returning \$125,000 to Caltrans and forgoing an additional \$71,000 of grant revenue currently scheduled to be received in 2015-2016, or increasing the project scope and provide additional programming at a cost of \$95,000. As the financial impact to the City of reimbursing Caltrans for the 2013-2014 amount of \$125,000 and foregoing 2015-2016 revenue of \$71,000 is significantly greater than the cost for additional traffic safety programming, staff recommends increasing the Walk n' Roll Phase 1 project by \$95,000. Completing this additional scope will complete the City's obligation to Caltrans and will allow for the transition to the Walk 'n Roll Phase 2 project.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONSTRUCTION EXCISE TAX FD (465)				
<i>Walk n' Roll San José Phase 2/Earned Revenue</i>	Traffic Capital Program		(\$500,000)	(\$400,000)
<p>This action decreases the Walk n' Roll San José Phase 2 project by \$500,000 (from \$839,000 to \$339,000) and corresponding Earned Revenue estimate by \$400,000 (from \$650,000 to \$250,000) to align funding with the end of Phase 1 of the project, which will be completed this fiscal year. Phase 2 continues and expands the Walk n' Roll program by adding up to 20 more schools and maintaining engagement with up to 10 Walk n' Roll Phase 1 schools. Based on project timing, it is anticipated that the grant revenue and project budget will be reallocated to 2016-2017 as part of the 2016-2017 Proposed Capital Budget. A corresponding increase to the Ending Fund Balance is also recommended to offset this action elsewhere in this report.</p>				
TOTAL CONSTRUCTION EXCISE TAX FD (465)			(\$4,964,008)	(\$4,964,008)
CONV CTR FACIL DIST REV FD (791)				
<i>Convention Center Facilities District Revenue Fund Earned Revenue/Ending Fund Balance</i>	Revenue Adjustments		\$2,260,000	\$2,260,000
<p>This action increases the Convention Center Facilities District Revenue Fund Earned Revenue by \$2.3 million (from \$13.8 million to \$16.1 million) to reflect the continued strong growth of the hotel industry. Based on current collection trends, this increase would allow for revenue growth of approximately 15% from the 2014-2015 actual collection levels. When the 2015-2016 Adopted Budget was developed, growth of 5% over estimated 2014-2015 collections was anticipated. However, because 2014-2015 receipts were higher than expected, revenues can actually drop by 5% and still meet the budget. A corresponding increase to the Ending Fund Balance is also recommended. It is important to note that due to the large number of visitors staying in San José hotels during Game Week, an additional minimum amount of \$530,000 in special hotel tax revenue resulting from Super Bowl 50 is expected above the \$2.3 million cited in this recommendation. Hotel tax receipts will continue to be monitored over the coming months and additional adjustments will be brought forward later in the fiscal year, once the positive revenue benefits from Super Bowl 50 are fully realized.</p>				
TOTAL CONV CTR FACIL DIST REV FD (791)			\$2,260,000	\$2,260,000
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Ending Fund Balance Adjustment</i>	Economic Development		(\$420,500)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Center for Performing Arts Elevator Rehabilitation</i>	Muni Improvements Capital Program		\$250,000	
<p>This action establishes a Center for Performing Arts (CPA) Elevator Rehabilitation appropriation in the amount of \$250,000. The elevator in the CPA has broken down on several occasions, including at times that have significantly impacted booked events. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
CONV/CULTURAL AFFAIRS FUND (536)				
<i>Convention Facilities Industry Advisor</i>	Muni Improvements Capital Program		\$20,000	
This action increases the Convention Facilities Industry Advisor appropriation by \$20,000 (from \$100,000 to \$120,000) to fund efforts to conduct additional market research on the feasibility of attracting a headquarters hotel to San José, which is a hotel with 1,000 plus rooms with space that complements the Convention Center. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				
<i>Cultural Facilities Rehabilitation/Repair - Mechanical</i>	Muni Improvements Capital Program		\$100,000	
This action increases the Cultural Facilities Rehabilitation/Repair - Mechanical appropriation by \$100,000 (from \$390,000 to \$490,000) to purchase new food and beverage equipment to support catered events at the City's cultural facilities. This funding will purchase tables and beverage ice displays (portable bars) available for use by event promoters. Food and beverage sales drive a large part of strong revenue performance at the facilities. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				
<i>Cultural Facilities Rehabilitation/Repair - Miscellaneous</i>	Muni Improvements Capital Program		\$50,500	
This action increases the Cultural Facilities Rehabilitation/Repair - Miscellaneous appropriation by \$50,500 (from \$100,000 to \$150,500) to install metal detectors for use at the Civic Auditorium and the Convention Center facilities. A total of eight metal detectors will be purchased to ensure patron safety at large events and to be responsive to concert promoters who have requested them. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this report.				
TOTAL CONV/CULTURAL AFFAIRS FUND (536)			\$0	\$0
EDW BYRNE MEMORIAL JAG FD (474)				
<i>2014 Justice Assistance Grant/Earned Revenue</i>	Police		\$328	\$328
This action increases the 2014 Justice Assistance Grant appropriation and corresponding estimate for Earned Revenue to reflect previously unallocated interest earnings for the JAG 2014 grant in order to expend these funds by the spending deadline of September 30, 2017. The spending plan for this grant includes equipment, crime prevention and community education programs, and grant administration.				
TOTAL EDW BYRNE MEMORIAL JAG FD (474)			\$328	\$328
GENERAL PURPOSE PARKING FD (533)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$425,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
GENERAL PURPOSE PARKING FD (533)				
<i>Non-Personal/Equipment (Parking Garage/Lot Management)</i>	Transportation		\$425,000	
<p>This action increases the Transportation Department Non-Personal/Equipment appropriation by \$425,000 for increased contractual costs for the operation of City parking garages and lots. This increase accounts for living wage adjustments for 2014-2015 and 2015-2016 based on information from the Office of Equality Assurance. The employee costs for the operator of the City's parking garages and lots increased for 2014-2015, effective retroactively as of July 1, 2014. In addition, the living wage determination has resulted in a subsequent increase to the contract costs for 2015-2016. Any wage increase is classified as a reimbursable expense under the existing agreement between the City and the vendor, and the additional funding will allow the City to pay this required cost to the vendor. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this report.</p>				
TOTAL GENERAL PURPOSE PARKING FD (533)			\$0	\$0
GIFT TRUST FUND (139)				
<i>Adopt-A-Park/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		\$6,480	\$6,480
<p>This action establishes the Adopt-A-Park appropriation and increases the Earned Revenue estimate to recognize and appropriate funding from the San Jose Parks Foundation (\$5,980) and Hands On Bay Area (\$500) in support of the Adopt-a-Park program. The Adopt-A-Park program aims to educate San José residents about the importance of parks and open spaces and protect and enhance San José's neighborhood parks and open spaces through ongoing volunteer support and special events.</p>				
<i>RP & CS General Gifts over \$1,000/Earned Revenue</i>	Parks, Rec, & Neigh Svcs		(\$5,000)	(\$5,000)
<p>This action decreases the RP & CS General Gifts over \$1,000 appropriation and corresponding estimate for Earned Revenue by \$5,000 to reallocate a \$5,000 grant to the General Fund that was previously recognized as a gift in the 2014-2015 Annual Report but should be treated as a grant. This funding from Kaiser Permanente is for Viva CalleSJ programming. Corresponding actions are recommended in the General Fund Recommended Budget Adjustments Summary section of this report.</p>				
TOTAL GIFT TRUST FUND (139)			\$1,480	\$1,480
HOME INVEST PART PROG FUND (445)				
<i>Personal Services (Legal Services)</i>	City Attorney		(\$40,000)	
<p>This action decreases the City Attorney's Office Personal Services appropriation by \$40,000 to reflect lower than anticipated legal services for Home Investment Partnership Program Fund activities. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
HOME INVEST PART PROG FUND (445)				
<i>Earned Revenue (NHSSV Grant Revenue Repayment)</i>	Housing			\$1,088,623
This action increases the Earned Revenue estimate by \$1.1 million to recognize funds returned to the City for loans and services that were administered by Neighborhood Housing Services Silicon Valley (NHSSV) on the City's behalf at the time of their dissolution. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.				
<i>Ending Fund Balance Adjustment</i>	Housing		\$1,128,623	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
TOTAL HOME INVEST PART PROG FUND (445)			\$1,088,623	\$1,088,623
HOUSING TRUST FUND (440)				
<i>Personal Services (Legal Services)</i>	City Attorney		(\$25,000)	
This action decreases the City Attorney's Office Personal Services appropriation by \$25,000 to reflect lower than anticipated legal services for Housing Trust Fund activities. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.				
<i>Ending Fund Balance Adjustment</i>	Housing		\$25,000	
This action increases the Ending Fund Balance to offset the action recommended in this report.				
TOTAL HOUSING TRUST FUND (440)			\$0	\$0
ICE CENTRE REVENUE FUND (432)				
<i>North/Center Ice Plant Replacement</i>	Finance		\$68,084	
This action establishes the North/Center Ice Plant Replacement appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs related to the replacement of the North/Center ice rink made at the Sharks Ice at San José. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.				
<i>Previously Approved Repairs Reserve</i>	Finance		(\$831,706)	
This action decreases the Previously Approved Repairs Reserve to offset the actions recommended in this report. Corresponding increases to the Repairs - Electrical, Repairs - Mechanical, Repairs - Miscellaneous, Repairs - Structures, and Repairs - Unanticipated/Emergency appropriations are included in this report to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the Sharks Ice at San José.				
<i>Repairs - Electrical</i>	Finance		\$180,003	
This action increases the Repairs - Electrical appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs to the lighting system made at the Sharks Ice at San José. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
ICE CENTRE REVENUE FUND (432)				
Repairs - Mechanical	Finance		\$354,764	
<p>This action increases the Repairs - Mechanical appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the Sharks Ice at San José. The improvements included repairs to the boiler, cooling tower, dehumidifier, and food service equipment. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Repairs - Miscellaneous	Finance		\$100,862	
<p>This action increases the Repairs - Miscellaneous appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the Sharks Ice at San José. The improvements included installation of graphics; repairs to goal frames, skate racks, and nets; and landscaping. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
Repairs - Structures	Finance		\$90,474	
<p>This action increases the Repairs - Structures appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the Sharks Ice at San José. The improvements included repairs to roof, floor, and locker rooms. A corresponding decrease to the Previously Approved Repairs Reserve is also recommended in this report.</p>				
Repairs - Unanticipated/Emergency	Finance		\$37,519	
<p>This action increases the Repairs - Unanticipated/Emergency appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the Sharks Ice at San José. The improvements included repairs to the keypad of an air conditioning unit, scoreboard, and water pump. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.</p>				
TOTAL ICE CENTRE REVENUE FUND (432)			\$0	\$0
INTEGRATED WASTE MGT FUND (423)				
Earned Revenue (Lien-Related Charges)	Environmental Services			\$4,200,000
<p>This action increases the estimate for Earned Revenue by \$4.2 million due to increases in the estimate for Lien-Related Charges (from \$318,000 to \$4.5 million). This includes a \$3.3 million increase in the estimate for Recycle Plus: Garbage Collection Fee Lined and a \$900,000 increase in the estimate for Recycle Plus: Garbage Lien Administration Fees. In developing the 2015-2016 Adopted Operating Budget, there was considerable uncertainty as to how much of the outstanding Lien-Related Charges from prior fiscal years would be realized with the billing transition to the County of Santa Clara's Secured Property Tax Roll. After the adoption of the 2015-2016 Operating Budget, a strategy was developed to place all outstanding balances as a Special Assessment on the Tax Roll, resulting in significant one-time revenues for 2015-2016. A corresponding increase to the Ending Fund Balance is recommended to offset this action in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
INTEGRATED WASTE MGT FUND (423)				
<i>Earned Revenue (Recycle Plus Collection Charges)</i>	Environmental Services			\$3,400,000
<p>This action increases the estimate for Earned Revenue by \$3.4 million, due to an increase in the estimate for Recycle Plus Collection Charges from Single-Family Dwelling (SFD) accounts (from \$114.7 million to \$118.1 million). The baseline revenue estimate that was included in the 2015-2016 Adopted Operating Budget was set conservatively low due to the uncertainty in determining the correct average SFD revenue. Historically, lien-deferred revenues would be a significant component of the annual SFD revenue estimate. However, the billing transition to the County of Santa Clara's Secured Property Tax Roll made estimation of the elimination of deferred revenue quite difficult. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		\$7,870,000	
<p>This action increases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Household Hazardous Waste Las Plumas Facility/Earned Revenue (EDA Grant)</i>	Environmental Services		(\$800,000)	(\$400,000)
<p>This action decreases the Environmental Services Department Household Hazardous Waste Las Plumas Facility appropriation by \$800,000 (from \$1.8 million to \$1.0 million) and corresponding estimate for Earned Revenue by \$400,000 (from \$1.5 million to \$1.1 million). In December 2011, the City accepted a grant award from the United States Economic Development Agency (EDA) for the installation of a photovoltaic system at the San José Environmental Innovation Center. The project has been extended due to non-responsive bids on two occasions; the most recent bid, however, came in lower than anticipated, following changes to the project's scope, resulting in lower project costs. Also, due to these lower costs, grant reimbursements from the EDA are anticipated to be lower. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Workers' Compensation Claims</i>	Human Resources		\$50,000	
<p>This action increases the Workers' Compensation Claims appropriation by \$50,000 (from \$40,000 to \$90,000) to reflect increased workers' compensation payments. This action will ensure funding is available to pay projected workers' compensation claims in 2015-2016. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
INTEGRATED WASTE MGT FUND (423)				
Personal Services (Customer Contact Center)	Information Technology		\$60,000	
<p>This action increases the Information Technology Department's Personal Services appropriation by \$60,000. A temporary Senior Office Specialist position which supports utility billing inquiries in the Customer Contact Center has been extended to continue support of the transition of the garbage and recycling billing to the County of Santa Clara's Secured property tax roll. The Customer Contact Center continues to receive a high volume of calls related to billing and service for trash collection and Recycle Plus. As a result, this position, originally set to expire at the end of December 2015, was extended through April 2016 to ensure appropriate customer service levels. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
Personal Services (Hiring True-Up)	Planning, Bldg, & Code Enf		\$20,000	
<p>This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$20,000, due to higher than budgeted salary and retirement costs. During the development of the 2015-2016 Adopted Operating Budget, new and vacant positions were budgeted at a lower salary level and at Tier 2 retirement costs. However, some positions were filled with incumbents that were hired at a higher salary level or with current City employees who are in the Tier 1 retirement system. A corresponding decrease to the Ending Fund Balance is also recommended in this report to offset this action.</p>				
TOTAL INTEGRATED WASTE MGT FUND (423)			\$7,200,000	\$7,200,000
LOW/MOD INCOME HSNB ASSET FD (346)				
Personal Services (Legal Services)	City Attorney		\$250,000	
<p>This action increases the City Attorney's Office Personal Services appropriation by \$250,000 to reflect higher than anticipated legal services in the Low and Moderate Income Housing Asset Fund. As directed by the City Council on December 8, 2015, this action funds the review of sanctioned encampments and emergency warming shelters policies for El Nino. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
Earned Revenue (Interest and Loan Repayments)	Housing			\$2,050,000
<p>This action increases the Earned Revenue estimate by \$2.1 million (from \$39.1 million to \$41.1 million) to reflect increased loan repayments (\$1.55 million) and interest (\$500,000). The \$2.05 million increase reflects higher than anticipated loan payments for single family and multifamily loan programs.</p>				
Earned Revenue (NHSSV Grant Revenue Repayment)	Housing			\$908,821
<p>This action increases the Earned Revenue estimate by \$908,821 to recognize funds returned to the City for loans and services that were administered by Neighborhood Housing Services Silicon Valley (NHSSV) on behalf of the City at the time of their dissolution. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
LOW/MOD INCOME HSNB ASSET FD (346)				
Ending Fund Balance Adjustment	Housing		\$2,708,821	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
Housing Predevelopment Activity	Housing		\$235,000	
This action increases the Housing Predevelopment Activity appropriation by \$235,000 to retain three appraisers and one relocation consultant (\$160,000) and an environmental planning agreement for Downtown Supportive Housing pre-development activities (\$75,000). A corresponding decrease to the Housing Project Reserve to offset this action is recommended in this report.				
Housing Project Reserve	Housing		(\$235,000)	
This action decreases the Housing Project Reserve to offset the action recommended in this report.				
TOTAL LOW/MOD INCOME HSNB ASSET FD (346)			\$2,958,821	\$2,958,821
M.D. #11 BROKAW/JCT-OAK FD (364)				
Ending Fund Balance Adjustment	Transportation		(\$30,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
Non-Personal/Equipment (Murphy Rehabilitation)	Transportation		\$30,000	
This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$30,000 (from \$54,000 to \$84,000) for increased contract costs related to median island improvements in Maintenance Assessment District #11 (Brokaw Rd./Old Oakland Rd.). Contract bids came in higher than anticipated due to higher than estimated contractor employee costs. Median islands on Murphy Avenue are planned for renovation in response to resident concerns about landscape aesthetics on the medians. The additional funding will allow the Department to fully fund the contractual costs for the median renovation work. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				
TOTAL M.D. #11 BROKAW/JCT-OAK FD (364)			\$0	\$0
M.D. #19 RIVER OAKS FUND (359)				
Ending Fund Balance Adjustment	Transportation		(\$35,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
M.D. #19 RIVER OAKS FUND (359)				
<i>Non-Personal/Equipment (River Oaks Median Islands)</i>	Transportation		\$35,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$35,000 (from \$116,000 to \$151,000) for increased contract costs related to median island improvements in Maintenance Assessment District #19 (River Oaks Area Landscaping). Contract bids came in higher than anticipated due to higher than estimated contractor employee costs. Three median islands on River Oaks Parkway are planned for renovation in response to resident concerns about landscape aesthetics on the medians. The additional funding will allow the Department to fully fund the contractual costs for the median renovation work. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.</p>				
TOTAL M.D. #19 RIVER OAKS FUND (359)			\$0	\$0
M.D. #9 S TERESA/GRT OAKS FD (362)				
<i>Ending Fund Balance Adjustment</i>	Transportation		(\$45,000)	
<p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p>				
<i>Non-Personal/Equipment (Santa Teresa Renovation)</i>	Transportation		\$45,000	
<p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$45,000 (from \$117,000 to \$162,000) for increased contract costs related to median island improvements in Maintenance Assessment District #9 (Santa Teresa-Great Oaks). Contract bids came in higher than anticipated due to higher than estimated contractor employee costs. Median islands on Santa Teresa Boulevard are planned for renovation in response to resident concerns about landscape aesthetics on the medians. The additional funding will allow the Department to fully fund the contractual costs for the median renovation work. A corresponding decrease to the Ending Fund Balance is recommended above to offset this action.</p>				
TOTAL M.D. #9 S TERESA/GRT OAKS FD (362)			\$0	\$0
MAJOR COLLECT & ARTRLS FD (421)				
<i>Earned Revenue (Developer Contributions)/Ending Fund Balance</i>	Traffic Capital Program			\$167,000
<p>This action increases the estimate for Earned Revenue by \$167,000 to recognize reimbursements from a developer for arterial street improvements along South White Road and Aborn Road. This revenue funds the construction of minor transportation infrastructure improvements along arterial and major collector streets, including pedestrian improvements, railroad crossing improvements, and minor signal modifications. These funds are not being recommended to be appropriated at this time because a project is yet to be identified; this project will be programmed as part of the 2017-2021 Proposed Capital Improvement Program. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
MAJOR COLLECT & ARTRLS FD (421)				
<i>Ending Fund Balance Adjustment</i>	Traffic Capital Program		\$167,000	
This action increases the Ending Fund Balance to offset the action recommended above.				
TOTAL MAJOR COLLECT & ARTRLS FD (421)			\$167,000	\$167,000
MULTI-SOURCE HOUSING FD (448)				
<i>Personal Services (Legal Services)</i>	City Attorney		(\$120,000)	
This action decreases the City Attorney's Office Personal Services appropriation by \$120,000 to reflect lower than anticipated legal services for Multi-Source Housing Fund activities. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this action.				
<i>Emergency Shelter Grants/Earned Revenue</i>	Housing		\$242,594	\$242,594
This action increases the Emergency Shelter Grant appropriation and the corresponding Earned Revenue estimate by \$242,594 for rapid re-housing and support services to recognize revenue received from the federal government's Emergency Shelter Grant program. These services are being provided by five agencies: Bill Wilson Center, InnVision Shelter Network, Family Supportive Services, Sacred Heart Community Services, and Next Door Solutions to Domestic Violence.				
<i>Ending Fund Balance Adjustment</i>	Housing		\$120,000	
This action increases the Ending Fund Balance to offset the actions recommended in this report.				
TOTAL MULTI-SOURCE HOUSING FD (448)			\$242,594	\$242,594
NEIGHBHD SECURITY BOND FD (475)				
<i>Earned Revenue (Sale of Bonds)</i>	Public Safety Capital Program			(\$3,325,000)
This action decreases the estimate for Earned Revenue by \$3.3 million to reflect the deferral of bond sale proceeds from 2015-2016 to 2016-2017, which is the last remaining bonds from the \$159.0 million General Obligation Bonds (Neighborhood Security Act Bond Measure) that was passed by San José voters in 2001. As the projects included in the Public Safety Capital Program for 2015-2016 would not be negatively impacted, and to best prioritize the workload in the Finance Department and City Attorney's Office, the Administration recommends deferring the final bond sale to 2016-2017. This action is recommended to be offset by a decrease to the Fire Station 37 (Willow Glen) Reserve and the recognition of revenue from a legal settlement as described below.				
<i>Earned Revenue (South San José Police Substation Settlement)</i>	Public Safety Capital Program			\$1,329,999
This action increases the estimate for Earned Revenue by \$1,329,999 to reflect revenues received as the result of a settlement with the contractor associated with the design of the South San José Police Substation.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
NEIGHBHD SECURITY BOND FD (475)				
<i>Fire Station 37 (Willow Glen) Reserve</i>	Public Safety Capital Program		(\$2,125,001)	
<p>This action decreases the Fire Station 37 (Willow Glen) Reserve by a net \$2.1 million (from \$3.3 to \$1.2 million) to offset the following recommended actions: decrease in revenues for the deferral of the bond sale (\$3.3 million), increase in revenues for the receipt of settlement funds (\$1.3 million), and increase to the South San José Police Substation appropriation (\$130,000). Funding to this reserve will be increased as part of the 2016-2017 Proposed Capital Budget, due to the bond sale in 2016-2017.</p> <p>Fire Station 37 is the final station scheduled for construction as part of the Public Safety Bond Program. Due primarily to the unexpectedly high cost of construction during much of the Bond program, the decision to rebuild instead of remodel Fire Station 2 (which resulted in a net cost increase of about \$4.1 million), and the higher bid prices received for Fire Station 21, only \$4.5 million (including all Mid-Year actions and the sale of bonds in 2016-2017) in bond funds remain available for the Fire Station 37 project. With construction costs of at least \$7.6 million (based on the 2014-2015 Adopted Budget), there is a construction shortfall of at least \$3.1 million. Further, funding of approximately \$460,000 for various fixtures, furniture, and equipment, and approximately, \$930,000 for a new fire engine and related equipment would be required. The total shortfall of one-time funds is estimated to be at least \$4.5 million. This amount does not include the annual ongoing expense of \$3.3 million. Given the shortfall, the Mayor's June Budget Message for Fiscal Year 2014-2015 included Manager's Budget Addendum #17 which, in part, directed staff to continue its analysis of response time performance through a comprehensive Fire Department organizational review. The Fire Station 37 project has been deferred indefinitely pending the review's completion and analysis and the identification of a funding source(s) to close the budget gap.</p>				
<i>South San José Police Substation</i>	Public Safety Capital Program		\$130,000	
<p>This action increases the South San José Police Substation project by \$130,000 (from \$254,000 to \$384,000) to provide funding for work conducted by a consultant related to the settlement of the South San José Police Substation litigation.</p>				
TOTAL NEIGHBHD SECURITY BOND FD (475)			(\$1,995,001)	(\$1,995,001)
PUBLIC WKS PRO SUPPORT FD (150)				
<i>Compensated Absence Liability Reserve</i>	Public Works		(\$236,000)	
<p>This action eliminates the Compensated Absence Liability Reserve in the amount of \$236,000. As the Compensated Absence Liability is fully funded, this reserve is no longer necessary. A corresponding increase to the Ending Fund Balance to offset this action is recommended in this report.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Works		\$236,000	
<p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p>				
TOTAL PUBLIC WKS PRO SUPPORT FD (150)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SEWER SVC & USE CHARGE FD (541)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$22,000)	
This action decreases the Ending Fund Balance to offset the action recommended in this report.				
<i>Personal Services (Hiring True-Up)</i>	Planning, Bldg, & Code Enf		\$22,000	
This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$22,000 (from \$63,831 to \$85,831) due to higher than budgeted salary and retirement costs. During the development of the 2015-2016 Adopted Budget, new and vacant positions were budgeted at a lower salary level and at Tier 2 retirement costs. However, some positions were filled with incumbents that were hired at a higher salary level or with current City employees who are in the Tier 1 retirement system. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				
TOTAL SEWER SVC & USE CHARGE FD (541)			\$0	\$0
SJ ARENA CAPITAL RESERVE FD (459)				
<i>Electrical Repairs</i>	Economic Development		\$698,874	
This action increases the Electrical Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included repairs to the telecommunications system and network storage. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.				
<i>Mechanical Repairs</i>	Economic Development		\$353,598	
This action increases the Mechanical Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements made repairs to ice machines, air conditioning chillers, brine chillers, cooling tower, pumps, and water softener. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.				
<i>Previously Approved Repairs Reserve</i>	Economic Development		(\$1,151,091)	
This action decreases the Previously Approved Repairs Reserve to offset the actions recommended in this report. Corresponding increases to the Electrical Repairs, Mechanical Repairs, and Unanticipated/Emergency Repairs appropriations are included in this report to provide funding for reimbursements to the Sharks Sports Entertainment for capital improvement repairs made at the SAP Center.				
<i>Unanticipated/Emergency Repairs</i>	Economic Development		\$98,619	
This action increases the Unanticipated/Emergency Repairs appropriation to provide funding for reimbursements to Sharks Sports Entertainment for capital improvement repairs made at the SAP Center. The improvements included sewer repairs, replacement of motor for fan, fire main water service, restroom repairs, and landscaping. A corresponding decrease to the Previously Approved Repairs Reserve to offset this action is recommended in this report.				
TOTAL SJ ARENA CAPITAL RESERVE FD (459)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ-SC TRMNT PLANT OPER FUND (513)				
<p><i>Personal Services and Non-Personal/Equipment (Reallocation from Environmental Services Department Personal Services for WPCP Master Agreement Legal Services)</i></p> <p>This action increases the City Attorney's Office Personal Services appropriation by \$6,700 and establishes a Non-Personal/Equipment appropriation in the amount of \$100,000 for legal support related to negotiations on amendments to the Water Pollution Control Plant (WPCP) Master Agreement for Wastewater Treatment Between City of San Jose, City of Santa Clara and Tributary Agencies (Master Agreement). Additional information related to this action can be found in Section II, Selected Special/Capital Funds Status Report. Environmental Services Department (ESD) Personal Services savings are available to offset this cost and a corresponding decrease to the ESD Personal Services appropriation is recommended to offset this action in this report.</p>	City Attorney		\$106,700	
<p><i>Non-Personal/Equipment (Shift \$200,000 from Utilities: Electricity to Professional & Consultant Services)</i></p> <p>This action reallocates \$200,000 in anticipated 2015-2016 savings from the Utilities: Electricity line item to the Professional & Consultant Services line item in the Environmental Services Department (ESD) Non-Personal/Equipment appropriation. This reallocation would allow ESD to fund external consultant support (\$100,000) and an external financial consultant (\$100,000) for negotiations on amendments to the Water Pollution Control Plant (WPCP) Master Agreement for Wastewater Treatment Between City of San Jose, City of Santa Clara and Tributary Agencies. Additional information related to this action can be found in Section II, Selected Special/Capital Funds Status Report.</p>	Environmental Services			
<p><i>Personal Services (Reallocation to City Attorney's Office Personal Services and Non-Personal/Equipment for WPCP Master Agreement Legal Services and Human Resources Department Personal Services for Hiring True-Up)</i></p> <p>This action decreases the Environmental Services Department Personal Services appropriation by \$126,700 to provide funding to increase the City Attorney's Office (CAO) Personal Services appropriation (\$6,700) to fund staff time associated with negotiations on amendments to the Water Pollution Control Plant (WPCP) Master Agreement for Wastewater Treatment Between City of San Jose, City of Santa Clara and Tributary Agencies, establish a CAO Non-Personal/Equipment appropriation (\$100,000) for outside legal counsel for the same purpose, and increase the Human Resources Department Personal Services appropriation for a hiring true-up (\$20,000). Additional information related to this action can be found in Section II, Selected Special/Capital Funds Status Report. There are sufficient vacancy savings to accommodate the reduction in the Personal Services appropriation with no impacts to current service levels. This action will offset increases to the CAO Personal Services and Non-Personal/Equipment appropriations recommended in this report.</p>	Environmental Services		(\$126,700)	

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SJ-SC TRMNT PLANT OPER FUND (513)				
<i>Personal Services (Reallocation from Environmental Services Department Personal Services for Hiring True-Up)</i>	Human Resources		\$20,000	
This action increases the Human Resources Department Personal Services appropriation by \$20,000 (from \$264,000 to \$284,000) due to higher than anticipated staffing costs. Environmental Services Department (ESD) personal services savings are available to offset this cost and a corresponding decrease to the ESD Personal Services appropriation to offset this action is recommended in this report.				
TOTAL SJ-SC TRMNT PLANT OPER FUND (513)			\$0	\$0
STATE DRUG FORF FUND (417)				
<i>Body Worn Camera Infrastructure</i>	Police		\$300,000	
This action establishes a Body Worn Camera Infrastructure appropriation in the amount of \$300,000 to address Police Department facility infrastructure needed to support docking stations for body worn cameras (BWC). This action provides funding for direct costs associated with running data cabling and electrical supply to the area that will house the BWC docking stations. The docking stations will recharge the BWC battery as well as upload video data from the BWC to the cloud-based Evidence Management Solution. The proposed docking stations are expected to be installed in at least five locations throughout police headquarters. While the type of docking station will be determined after of the procurement process is completed, having these infrastructure improvements in place will allow for the timely roll out of the BWC program. A corresponding decrease to the Ending Fund Balance to offset this action is also recommended in this report.				
<i>Ending Fund Balance Adjustment</i>	Police		(\$300,000)	
This action decreases the Ending Fund Balance to offset the action recommended above.				
TOTAL STATE DRUG FORF FUND (417)			\$0	\$0
STORM SEWER OPERATING FD (446)				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$642,000)	
This action decreases the Ending Fund Balance to offset the action below.				
<i>Personal Services (Hiring True-Up)</i>	Planning, Bldg, & Code Enf		\$4,000	
This action increases the Planning, Building and Code Enforcement Department's Personal Services appropriation by \$4,000 (from \$70,841 to \$74,841) due to higher than budgeted salary costs. During the development of the 2015-2016 Adopted Budget, vacant positions were budgeted at a mid-range salary level; however, the incumbents that filled the vacancies were hired at a higher salary level. A corresponding decrease to the Ending Fund Balance to offset this action is recommended in this report.				

Special/Capital Funds Recommended Budget Adjustments Summary

2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
STORM SEWER OPERATING FD (446)				
<p><i>Non-Personal/Equipment (Contractual Maintenance Services)</i></p> <p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$303,000 to provide temporary contractual staffing to augment City maintenance workers for the anticipated severe winter storm season. Contractual staff will assist with storm sewer maintenance activities, such as inspecting and monitoring storm pump stations, cleaning storm wet wells, high pressure cleaning of storm sewer main lines, hand-rodding storm lateral pipes, and clearing plugged storm drain inlets. This funding will allow the Department to adequately address expanded storm preparation activities. A corresponding decrease to the Ending Fund Balance is also recommended in this report to offset this action.</p>	Transportation		\$303,000	
<p><i>Non-Personal/Equipment (Storm System Maintenance and Storm Preparation)</i></p> <p>This action increases the Transportation Department's Non-Personal/Equipment appropriation by \$185,000 (from \$2.4 million to \$2.6 million). These funds will provide for additional supplies, equipment, and materials necessary to provide enhanced storm sewer maintenance for the anticipated severe winter storm season. Examples include pump rentals, barricades, signage, and hand tools. A corresponding decrease to the Ending Fund Balance is also recommended in this report to offset this action.</p>	Transportation		\$185,000	
<p><i>Personal Services (Storm System Maintenance and Storm Preparation)</i></p> <p>This action increases the Transportation Department's Personal Services appropriation by \$150,000 (from \$6.1 million to \$6.25 million) for overtime costs resulting from storm sewer maintenance in preparation for the anticipated severe winter storm season. Increased maintenance activities have included increased frequency of catch basin cleaning, storm sewer main line and inlet cleaning in Alviso, high pressure storm sewer lateral cleaning in the Downtown area, and several other projects to help improve the storm water system flow. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.</p>	Transportation		\$150,000	
TOTAL STORM SEWER OPERATING FD (446)			\$0	\$0
SUBDIVISION PARK TRUST FUND (375)				
<p><i>Baypointe Park</i></p> <p>This action establishes the Baypointe Park project totaling \$300,000 for interim development of a 2.4 acre site in North San José. Project elements include limited walking paths, a gathering space, and minor park furnishings to allow the park to be functional until additional funding is available to completely develop the park. It is anticipated that design work would begin in winter 2016 and construction would be completed in winter 2017, with an estimated annual operating and maintenance impact of \$18,000. The operating and maintenance impact information will be evaluated for inclusion in the 2017-2021 Five-Year General Fund Forecast, which is scheduled to be released on February 29, 2016. A corresponding decrease to the Future PDO/PIO Projects Reserve is also recommended in this report to offset this action.</p>	Parks & Comm Fac Dev Capital Program		\$300,000	

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
SUBDIVISION PARK TRUST FUND (375)				
<i>Downtown Parks Activation</i>	Parks & Comm Fac Dev Capital Program		\$150,000	
<p>This action establishes the Downtown Parks Activation project totaling \$150,000. This project will provide funding for the necessary capital expenses to design and install new park uses to create dynamic and active public spaces at Plaze de Cesar Chavez and St. James Park, such as new outdoor patio furniture, decorative lighting, and stage prototyping. This allocation meets the local match requirement for receipt of a \$150,000 grant from the Knight Foundation, which, as described in Section III, the General Fund Recommended Budget Adjustments and Clean Up Actions section of this document, will provide funding for operating costs associated with this effort. A corresponding decrease to the Future PDO/PIO Projects Reserve is also recommended in this report to offset this action.</p>				
<i>Future PDO/PIO Projects Reserve</i>	Parks & Comm Fac Dev Capital Program		(\$635,000)	
<p>This action decreases the Future PDO/PIO Projects Reserve to offset the actions recommended in this report.</p>				
<i>Newbury Park</i>	Parks & Comm Fac Dev Capital Program		\$185,000	
<p>This action establishes the Newbury Park project for \$185,000 for development of construction plans and design documents for a 1.0 acre site in Council District 3. A draft master plan has already been completed for the park, and includes a tot lot, picnic tables and game tables, open turf, and plaza area. It is anticipated that design would begin in winter 2016 and be completed in winter 2017. Upon completion of the construction and design documents, funding for the construction of the facility will be identified and operating and maintenance impacts will be determined. A corresponding decrease to the Future PDO/PIO Projects Reserve is also recommended in this report to offset this action.</p>				
TOTAL SUBDIVISION PARK TRUST FUND (375)			\$0	\$0
SUPPL LAW ENF SVCES FUND (414)				
<i>SLES Grant 2014-2016/Earned Revenue</i>	Police		\$233,212	\$233,212
<p>This action recognizes and appropriates payments from the State of California's Citizen's Option for Public Safety (COPS) Program via the County of Santa Clara for the 2014-2016 Supplemental Law Enforcement Services Grant (\$233,212). Funding will be used in accordance with the spending plan that was approved by the City Council on April 28, 2015. The spending plan allocates funding for department technology upgrades, officer safety equipment and enhancements in investigative abilities, and grants administration.</p>				
TOTAL SUPPL LAW ENF SVCES FUND (414)			\$233,212	\$233,212

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
TRANSIENT OCCUPANCY TX FD (461)				
<i>Transient Occupancy Tax/Future Distribution Reserve</i>	Revenue Adjustments		\$3,440,000	\$3,440,000
<p>This action increases the Transient Occupancy Tax (TOT) revenue estimate by \$3.4 million, from \$22.1 million to \$25.5 million, to reflect the continued strong growth of the hotel industry. Year-to-date TOT collections continue to track well above the prior year and current year budgeted levels. Based on current collection trends, this increase would allow for revenue growth of approximately 15% from the 2014-2015 collection levels, compared to a budgeted estimate that approximately matches 2014-2015 actuals. By ordinance, the TOT Fund tax revenue is distributed by formula into three categories (San José Convention and Visitors Bureau, Cultural Development, and Convention Facilities Operation Subsidy through a transfer to the Convention and Cultural Affairs Fund). As is the practice in this fund when there is additional TOT revenue during the year, the additional funding is recommended to be placed into the Reserve for Future Distribution to be allocated to the three recipient organizations as part of the 2016-2017 budget process. A corresponding increase is recommended in the General Fund, which receives 40% of this tax. It is important to note that due to the large number of visitors staying in San José hotels during Game Week, an additional minimum amount of \$810,000 in TOT revenue (\$1.35 million combined in the General Fund and TOT Fund) resulting from Super Bowl 50 is expected above the \$3.4 million cited in this recommendation. Elsewhere in this report the Administration recommends recognizing \$136,000 of the \$540,000 received in the General Fund to offset Police and Fire costs attributable to the increased visitors during game week. TOT receipts will continue to be monitored over the coming months and additional adjustments will be brought forward later in the fiscal year, once the positive revenue benefits from Super Bowl 50 are fully realized.</p>				
TOTAL TRANSIENT OCCUPANCY TX FD (461)			\$3,440,000	\$3,440,000
VEHICLE MAINT & OPER FUND (552)				
<i>Compensated Absence Liability Reserve</i>	Public Works		(\$121,000)	
<p>This action eliminates the Compensated Absence Liability Reserve in the amount of \$121,000. As the Compensated Absence Liability is fully funded, this reserve is no longer necessary. A corresponding increase to the Ending Fund Balance is recommended below to offset this action.</p>				
<i>Ending Fund Balance Adjustment</i>	Public Works		\$121,000	
<p>This action increases the Ending Fund Balance to offset the action recommended above.</p>				
TOTAL VEHICLE MAINT & OPER FUND (552)			\$0	\$0

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WATER UTILITY CAPITAL FUND (500)				
<i>Earned Revenue (Commercial Paper Proceeds)</i>	Water Utility Sys Capital Program			(\$1,500,000)
<p>This action decreases the estimate for Earned Revenue by \$1.5 million (from \$3.6 million to \$2.1 million) to reflect a reduction in Commercial Paper Proceeds from \$3.5 million to \$2.0 million. The 2015-2016 Adopted Budget included the issuance of commercial paper to fund the Meter Replacement project. However, a recent analysis of the Water Utility Fund has shown that \$1.5 million can be transferred to the Water Utility Capital Fund without adverse impact based on actual 2014-2015 performance and activity through the first six months of 2015-2016. The commercial paper loan amount can be reduced by \$1.5 million. This action will offset an increase to the estimate for Transfers recommended below.</p>				
<i>Transfers (Transfer from the Water Utility Fund)</i>	Water Utility Sys Capital Program			\$1,500,000
<p>This action increases the estimate for Transfers by \$1.5 million (from \$5.2 million to \$6.7 million). In the 2014-2015 Annual Report, the Water Utility Fund Unrestricted Ending Fund Balance (EFB) increased by approximately \$1.5 million, due in large part to higher potable water revenues and lower potable water sales during 2014-2015. A recent analysis of potential potable water consumption has shown that \$1.5 million in Unrestricted EFB from the Water Utility Fund can be transferred, without adverse impact, to the Water Utility Capital Fund, thereby decreasing the commercial paper loan amount necessary to fund the Meter Replacement project. A corresponding decrease to the estimate for Earned Revenue is recommended to offset the action above.</p>				
TOTAL WATER UTILITY CAPITAL FUND (500)			\$0	\$0
WATER UTILITY FUND (515)				
<i>Personal Services (Legal Services)</i>	City Attorney		\$160,000	
<p>This action establishes a City Attorney Personal Services appropriation in the amount of \$160,000. This funding will provide for staff work in the City Attorney's Office that will support the Municipal Water System during the remainder of 2015-2016.</p>				
<i>Ending Fund Balance Adjustment</i>	Environmental Services		(\$1,838,396)	
<p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p>				
<i>Personal Services (Overtime and Hiring True-Up)</i>	Environmental Services		\$200,000	
<p>This action increases the Environmental Services Department Personal Services appropriation by \$200,000 (from \$4.7 million to \$4.9 million) to address higher than anticipated personal services costs in 2015-2016, due primarily to overtime, but also higher salary and benefits costs.</p>				

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WATER UTILITY FUND (515)				
<i>Transfer from the General Fund (Late Fee Reconciliation)</i>	Environmental Services			\$21,604
<p>This action establishes a Transfer from the General Fund in the amount of \$21,604 to reimburse the Water Utility Fund for excess late fee revenues transferred to the General Fund in 2014-2015. Late Fee revenues in the Water Utility Fund are an unrestricted source of income for the City, and are therefore transferred each year to the General Fund. The 2014-2015 Late Fee revenues in the Water Utility Fund were \$253,396, while the Transfer to the General Fund remained at the budgeted level of \$275,000. This transfer is generally reconciled prior to the fiscal year-end close; however, this reconciliation was inadvertently missed in 2014-2015.</p>				
<i>Transfer to the General Fund - Late Fees/Earned Revenue (Late Fees)</i>	Environmental Services		(\$225,000)	(\$225,000)
<p>This action decreases the Transfer to the General Fund - Late Fees and corresponding estimate for Earned Revenue by \$225,000, as late fees have not been received this year and are not expected to start being collected until March 2016. Late Fees are recorded in this fund and transferred to the General Fund as an unrestricted source of funds. Due to a suspension of Water Utility System Late Fees for the first two months of 2015-2016, combined with technical problems associated with the utility's new Customer Information System billing software, this revenue stream is projected to be significantly reduced in 2015-2016. Actions are recommended in Section III, General Fund Recommended Budget Adjustments and Clean Up Actions section of this report to make the corresponding adjustment to the General Fund.</p>				
<i>Transfer to the Water Utility Capital Fund</i>	Environmental Services		\$1,500,000	
<p>This action increases the Transfer to the Water Utility Capital Fund by \$1.5 million (from \$5.2 million to \$6.7 million). In the 2014-2015 Annual Report, the Unrestricted Ending Fund Balance (EFB) increased by approximately \$1.5 million, due in large part to higher potable water revenues and lower potable water sales during 2014-2015. Included in that report was a discussion of options on how best to address this higher than anticipated fund balance, such as lowering the commercial paper loan associated with the replacement of water meters, to mitigate any potable water rate increases that might have occurred at mid-year, or to serve as a cushion against higher water conservation. However, no mid-year rate adjustment occurred, and an analysis of potential potable water consumption has shown that \$1.5 million in Unrestricted EFB can be transferred to the Water Utility Capital Fund without adverse effect on the Water Utility Fund, thereby decreasing the commercial paper loan amount necessary to fund the Meter Replacement project. A corresponding decrease to the Ending Fund Balance is recommended to offset this action elsewhere in this report.</p>				
TOTAL WATER UTILITY FUND (515)			(\$203,396)	(\$203,396)

Special/Capital Funds Recommended Budget Adjustments Summary 2015-2016 Mid-Year Budget Review

<u>Action</u>	<u>Department/Program</u>	<u>Positions</u>	<u>Use</u>	<u>Source</u>
WORKFORCE DEVELOPMENT FD (290)				
<i>Adult Workers (Reallocation from Dislocated Workers)</i>	Economic Development		\$419,794	
<p>This action increases the Adult Workers appropriation by \$419,794 (from \$2.6 million to \$3.0 million). While the Adult Workers program has experienced an increase in enrollment, the Dislocated Workers program has experienced a decrease in enrollment. Funding for both programs is provided by the State of California Employment Development Department, which has authorized the transfer of funding from the Dislocated Workers program to the Adult Workers program. A corresponding decrease to the Dislocated Workers appropriation is recommended to offset this action.</p>				
<i>Dislocated Workers (Reallocation to Adult Workers)</i>	Economic Development		(\$419,794)	
<p>This action decreases the Dislocated Workers appropriation by \$419,794 (from \$3.5 million to \$3.1 million). While the Dislocated Workers program has experienced a lower than anticipated enrollment in the current year, the Adult Workers program has experienced an increase in enrollment. Funding for both programs is provided by the State of California Employment Development Department, which has authorized the transfer of funding from the Dislocated Workers program to the Adult Workers program. This action will offset an increase to the Adult Workers appropriation recommended in this report.</p>				
<i>Rapid Response Grant/Earned Revenue</i>	Economic Development		(\$164,598)	(\$164,598)
<p>This action decreases the Rapid Response Grant appropriation and corresponding estimate for Earned Revenue by \$164,598 (from \$1.3 million to \$1.2 million) to reflect the reduction of the initial grant amount allocated by the State of California Employment Development Department for 2015-2016. This program provides job training services to businesses and workers impacted or at risk of being impacted by company closures or layoffs. An improvement in the economy and the job market has led to the decrease of this grant.</p>				
TOTAL WORKFORCE DEVELOPMENT FD (290)			(\$164,598)	(\$164,598)