

Special/Capital Funds Recommended Budget Adjustments Summary

Annual Report 2014-2015

| <u>Action</u> | <u>Department/Program</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|---|---------------------------|------------------|--------------------|--------------------|
| AIRPORT CAPITAL IMPVT FUND (520) | | | | |
| <i>Airfield Geometric Study/Airport Layout Plan Update/Earned Revenue (FAA Grants)</i> | Airport Capital Program | | \$1,136,000 | \$1,136,000 |
| <p>This action increases the Airfield Geometric Study/Airport Layout Plan Update appropriation and the estimate for Earned Revenue by \$1,136,000, for the assessment and potential improvements of the entire airfield. Federal Aviation Administration (FAA) grant funding was awarded for a Runway Incursion Mitigation (RIM) project, which changed the original project scope from improving a portion of the airfield to improving the entire airfield.</p> | | | | |
| <i>Airport Rescue and Fire Fighting Vehicle/Earned Revenue (FAA Grants)</i> | Airport Capital Program | | \$119,000 | \$119,000 |
| <p>This action increases the Airport Rescue and Fire Fighting Vehicle appropriation (from \$739,000 to \$858,000) and the estimate for Earned Revenue by \$119,000, to recognize and allocate FAA grant funding and to fix a technical error made during the development of the 2015-2016 Adopted Budget. This action aligns this appropriation to ensure sufficient funding is available to complete this project.</p> | | | | |
| TOTAL AIRPORT CAPITAL IMPVT FUND (520) | | | \$1,255,000 | \$1,255,000 |

AIRPORT MAINT & OPER FUND (523)

Non-Personal/Equipment (Air Service Incentive Program)

This action increases the Non-Personal/Equipment appropriation to the Airport Department by \$478,753, to implement the Air Service Incentive Program. In 2014-2015, the percentage growth in annual enplanements at the Airport was 5.5% which exceeded the FAA's projection of 2.6% for national enplanement growth. This increase in passenger enplanements triggered the Airport to activate the Municipally-Funded Air Service Incentive Program, a provision in the Airline-Airport Lease and Operating Agreements that was approved by City Council in March 2007. The original term of these Agreements was through June 30, 2012, with one five-year option to extend the Agreements through June 30, 2017. In August 2011, the City Council approved the option to extend these Agreements through June 30, 2017. Under the provision, if the percentage growth in annual enplanements at the Airport exceeds the growth in annual enplanements nationwide, the City shall reduce the amount of its General Fund overhead expenses in the following fiscal year by a corresponding percentage. In order to comply with the provision of the Agreements, the overhead reimbursement from the Airport Maintenance and Operation Fund to the General Fund will be reduced by 2.9% (from the Adopted Budget overhead rate of 24.24% to 21.34%), or \$478,753, in 2015-2016. This amount is then paid to the airlines in 2015-2016. The increase in the Non-Personal/Equipment appropriation of \$478,753, offset by a reduction to the General Fund transfer for Airport overhead, provides the funds to return to the airlines.

| | |
|---------|-----------|
| Airport | \$478,753 |
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| AIRPORT MAINT & OPER FUND (523) | | | | |
| <i>Operations Contingency (Aircraft Rescue Fire Fighting Training)</i> | Airport | | (\$146,746) | |
| <p>This action decreases the Operations Contingency by \$146,746, to offset a portion of the cost (\$921,450) to provide the Mineta San José International Airport with additional Aircraft Rescue and Fire Fighting (ARFF) certified Fire Engineers and Firefighters resulting from the Airport's increase from Index C to Index D and to provide ARFF training. Federal Aviation Administration rules require an additional ARFF certified Fire Engineer and ARFF certified Firefighter to staff an additional apparatus as the result of this index change, which is the result of larger aircraft scheduled for daily departure to Beijing, Tokyo, and (starting in May 2016) London. ARFF training for 24 members of the Fire Department to ensure specially trained staff is available is also necessary. A recommendation to decrease the Airport's Personal Services appropriation as a result of anticipated vacancy savings is recommended elsewhere in this report to fund the remaining \$774,704 for additional ARFF certified Fire personnel and training. A corresponding increase to the Transfer to the General Fund for Aircraft Rescue/Fire Fighting Services is recommended to offset this action.</p> | | | | |
| <i>Personal Services (Aircraft Rescue Fire Fighting Overtime)</i> | Airport | | (\$774,704) | |
| <p>This action decreases the Personal Services appropriation to the Airport Department by \$774,704, to offset a portion of the cost (\$921,450) to provide the Mineta San José International Airport with additional Aircraft Rescue and Fire Fighting (ARFF) certified Fire Engineers and Firefighters resulting from the Airport's increase from Index C to Index D and ARFF training. Federal Aviation Administration rules require an additional ARFF certified Fire Engineer and ARFF certified Firefighter to staff an additional apparatus as the result of this index change, which is the result of larger aircraft scheduled for daily departure to Beijing, Tokyo, and (starting in May 2016) London. Due to anticipated vacancy savings, funding is available in the Airport's Personal Services appropriation for this purpose. A recommendation to decrease the Operations Contingency appropriation is recommended elsewhere in this report to fund the remaining \$146,746 for additional ARFF certified Fire personnel and training. A corresponding increase to the Transfer to the General Fund for Aircraft Rescue/Fire Fighting Services is recommended to offset this action.</p> | | | | |

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| AIRPORT MAINT & OPER FUND (523) | | | | |
| <i>Transfer to General Fund (Air Service Incentive Program)</i> | Airport | | (\$478,753) | |
| <p>This action decreases the Airport Overhead transfer to the General Fund by \$478,753. In 2014-2015, the percentage growth in annual enplanements at the Airport was 5.5% which exceeded the FAA's projection of 2.6% for national enplanement growth. This increase in passenger enplanements triggered the Airport to activate the Municipally-Funded Air Service Incentive Program, a provision in the Airline-Airport Lease and Operating Agreements that was approved by City Council in March 2007. The original term of these Agreements was through June 30, 2012, with one five-year option to extend the Agreements through June 30, 2017. In August 2011, the City Council approved the option to extend these Agreements through June 30, 2017. Under the provision, if the percentage growth in annual enplanements at the Airport exceeds the growth in annual enplanements nationwide, the City shall reduce the amount of its General Fund overhead expenses in the following fiscal year by a corresponding percentage. In order to comply with the provision of the Agreements, the overhead reimbursement from the Airport Maintenance and Operation Fund to the General Fund will be reduced by 2.9% (from the Adopted Budget overhead rate of 24.24% to 21.34%), or \$478,753, in 2015-2016 as this funding will now be paid to the airlines. Corresponding actions in the General Fund are recommended to reflect the loss in overhead reimbursement.</p> | | | | |
| <i>Transfer to General Fund for Aircraft Rescue/Fire Fighting Services</i> | Airport | | \$921,450 | |
| <p>This action increases the Transfer to the General Fund for Aircraft Rescue/Fire Fighting Services by \$921,450, to staff the Mineta San José International Airport with additional Aircraft Rescue and Fire Fighting (ARFF) certified Fire Engineers and Firefighters resulting from the Airport's increase from Index C to Index D. Federal Aviation Administration rules require an additional ARFF certified Fire Engineer and ARFF certified Firefighter to staff an additional apparatus as the result of this index change, which is the result of larger aircraft scheduled for daily departure to Beijing, Tokyo, and (starting in May 2016) London. This action provides overtime funding of \$774,704 to provide the staff support in 2015-2016 as it is not anticipated that additional positions would be hired and trained in 2015-2016 to address this need given the current number of vacancies in the Fire Department. This action also provides \$146,746 to cover the costs associated with ARFF training for 24 members of the Fire Department to ensure specially trained staff is available. Corresponding decreases to the Personal Services and Operations Contingency appropriations are recommended elsewhere in this report to offset this action.</p> | | | | |
| TOTAL AIRPORT MAINT & OPER FUND (523) | | | \$0 | \$0 |
| AIRPORT RENEW & REPL FUND (527) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Airport Capital Program | | (\$118,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |

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| AIRPORT RENEW & REPL FUND (527) | | | | |
| <i>FIS Smoke Damper Repairs</i> | Airport Capital Program | | \$118,000 | |
| <p>This action establishes the Federal Inspection Services (FIS) Smoke Damper Repairs appropriation in the amount of \$118,000, to repair broken smoke dampers in the FIS building. The need to restore the smoke dampers to optimal functionality was recently identified at the conclusion of a five-year test. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action.</p> | | | | |
| TOTAL AIRPORT RENEW & REPL FUND (527) | | | \$0 | \$0 |
| AIRPORT REV BOND IMP FUND (526) | | | | |
| <i>Airfield Geometric Study/Airport Layout Plan Update</i> | Airport Capital Program | | \$274,000 | |
| <p>This action increases the Airfield Geometric Study/Airport Layout Plan Update appropriation by \$274,000, for the assessment and potential improvements of the entire airfield. Federal Aviation Administration grant funding was awarded for a Runway Incurion Mitigation (RIM) project, which changed the original project scope from improving a portion of the airfield to improving the entire airfield. This action reflects the local match portion of the project funding. A corresponding decrease to the Ending Fund Balance is also recommended to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Airport Capital Program | | (\$274,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL AIRPORT REV BOND IMP FUND (526) | | | \$0 | \$0 |
| BENEFIT FUND (160) | | | | |
| <i>Alternative Medical Insurance Plan Study</i> | Human Resources | | \$100,000 | |
| <p>This action provides funding for an analysis of potential alternatives for the City of San José's current medical insurance plans to minimize rising plan costs. The analysis will inform future decisions about sustainable healthcare offerings for the City's active and retiree populations and their dependents. The results of the analysis will allow the City to provide solutions that are best suited to its active employees and retirees, thereby further enhancing the City's ability to attract and retain quality employees.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Human Resources | | (\$100,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL BENEFIT FUND (160) | | | \$0 | \$0 |
| BRANCH LIB BOND PROJECT FD (472) | | | | |
| <i>Library Bond Projects Contingency Reserve</i> | Library Capital Program | | (\$2,340,000) | |
| <p>This action decreases the Library Bond Projects Contingency Reserve by \$2,340,000 to offset the action recommended in this report.</p> | | | | |

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| BRANCH LIB BOND PROJECT FD (472) | | | | |
| <i>Village Square Branch</i> | Library Capital Program | | \$2,340,000 | |
| <p>This action increases the Village Square Branch appropriation in the Branch Libraries Bond Projects Fund by \$2,340,000. This, the final of the bond-funded library capital projects, is expected to open in spring 2016. This action restores funds to this project that had been reduced as the result of the delay in the bond sale and the partial liquidation of the General Contractor's contract. This action re-appropriates this allocation to ensure sufficient funding to complete this project.</p> | | | | |
| TOTAL BRANCH LIB BOND PROJECT FD (472) | | | \$0 | \$0 |
| COMM DEV BLOCK GRANT FUND (441) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Housing | | (\$944,189) | |
| <p>This action decreases the Ending Fund Balance to offset action recommended in this report.</p> | | | | |
| <i>Land Acquisition Reserve</i> | Housing | | (\$740,000) | |
| <p>This action decreases the Land Acquisition Reserve by \$740,000 to offset the acquisition or lease of the Plaza Hotel from the Successor Agency to the Redevelopment Agency (SARA) for the purpose of housing homeless individuals.</p> | | | | |
| <i>Neighborhood Infrastructure Improvements</i> | Housing | | \$944,189 | |
| <p>This action increases the Neighborhood Infrastructure Improvements appropriation by \$944,189 to fund improvements in the Franklin-McKinley School District including the purchase and installation of an Educare Play Structure (\$250,000) and rehabilitation of the Head Start building (\$260,000). In addition, this action funds the renovation of a social hall, classrooms, bathrooms, and a kitchen at the Recovery Café (\$434,000).</p> | | | | |
| <i>Property Acquisition</i> | Housing | | \$740,000 | |
| <p>This action increases the Property Acquisition appropriation by \$740,000 to acquire or lease the Plaza Hotel from the Successor Agency to the Redevelopment Agency (SARA) for the purpose of housing homeless individuals. The City Council adopted a resolution on September 22, 2015 to pursue steps necessary to either acquire or lease the Plaza Hotel from SARA. A corresponding decrease to the Land Acquisition Reserve is recommended elsewhere in this report to offset this action.</p> | | | | |
| TOTAL COMM DEV BLOCK GRANT FUND (441) | | | \$0 | \$0 |
| CONST/CONV TAX COMM FUND (397) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Communications Capital Program | | (\$360,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |

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| CONST/CONV TAX COMM FUND (397) | | | | |
| <i>Silicon Valley Regional Communications System - Radios</i> | Communications Capital Program | | \$360,000 | |
| <p>This action increases the Silicon Valley Regional Communications System - Radios appropriation by \$360,000 to help expedite the purchase of radios for Police, Fire, and non-public safety City operations to support the Silicon Valley Regional Communications System. Because Construction and Conveyance Tax revenues ended 2014-2015 above estimated levels, additional fund balance is available in 2015-2016 to support this funding increase.</p> | | | | |
| TOTAL CONST/CONV TAX COMM FUND (397) | | | \$0 | \$0 |
| CONST/CONV TAX PK CD 2 FUND (378) | | | | |
| <i>Council District 2 Public Art</i> | Parks & Comm Fac Dev Capital Program | | \$2,000 | |
| <p>This action increases the Council District 2 Public Art allocation by \$2,000. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, a recommendation is included in the Park Trust Fund to eliminate the Basking Ridge Tot Lot Public Art allocation (\$2,000), and in this fund to increase the Council District 2 Public Art budget, accordingly. A corresponding reduction to the Ending Fund Balance in the Council District 2 Construction and Conveyance Tax Fund is recommended below to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Parks & Comm Fac Dev Capital Program | | (\$2,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL CONST/CONV TAX PK CD 2 FUND (378) | | | \$0 | \$0 |

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| CONST/CONV TAX PK CD 3 FUND (380) | | | | |
| <i>Council District 3 Public Art</i> | Parks & Comm Fac Dev Capital Program | | \$3,000 | |
| <p>This action increases the Council District 3 Public Art allocation by \$3,000. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, a recommendation is included in the Park Trust Fund to eliminate the Columbus Park Restroom and Ball Fields Public Art (\$1,000) and the Bernal Park Expansion Public Art (\$2,000) allocations, and in this fund to increase the Council District 3 Public Art budget, accordingly. A corresponding reduction to the Ending Fund Balance in the Council District 3 Construction and Conveyance Tax Fund is recommended below to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Parks & Comm Fac Dev Capital Program | | (\$3,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL CONST/CONV TAX PK CD 3 FUND (380) | | | \$0 | \$0 |
| CONST/CONV TAX PK CD 8 FUND (386) | | | | |
| <i>Council District 8 Public Art</i> | Parks & Comm Fac Dev Capital Program | | \$1,000 | |
| <p>This action increases the Council District 8 Public Art allocation by \$1,000. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, a recommendation is included in the Park Trust Fund to eliminate the Evergreen Community Center Expansion Public Art (\$1,000), and in this fund to increase the Council District 8 Public Art budget, accordingly. A corresponding reduction to the Ending Fund Balance in the Council District 8 Construction and Conveyance Tax Fund is recommended below to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Parks & Comm Fac Dev Capital Program | | (\$1,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL CONST/CONV TAX PK CD 8 FUND (386) | | | \$0 | \$0 |

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| CONST/CONV TAX PK CD10 FD (389) | | | | |
| <i>Council District 10 Public Art</i> | Parks & Comm Fac Dev Capital Program | | \$13,000 | |
| <p>This action increases the Council District 10 Public Art allocation by \$13,000. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, a recommendation is included in the Park Trust Fund to eliminate the Almaden Lake Park Playground Public Art (\$5,000), Glenview Park Infrastructure Improvements Public Art (\$5,000), and the Parkview II Park Renovation Public Art (\$3,000) allocations, and in this fund to increase the Council District 10 Public Art budget, accordingly. A corresponding reduction to the Ending Fund Balance in the Council District 10 Construction and Conveyance Tax Fund is recommended below to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Parks & Comm Fac Dev Capital Program | | (\$13,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL CONST/CONV TAX PK CD10 FD (389) | | | \$0 | \$0 |
| CONST/CONV TAX PKS CW FUND (391) | | | | |
| <i>Airport West (Coleman) Debt Service Payment Reserve</i> | Parks & Comm Fac Dev Capital Program | | \$2,339,000 | |
| <p>This action establishes the Airport West (Coleman) Debt Service Payment Reserve in the amount of \$2.3 million. In June 2012, the City Council approved a memorandum to construct community soccer fields on a portion of the Airport West property. As a result, the salable acres and the sale proceeds for the site would be reduced. Funding of \$2.3 million was transferred from the Council District Construction and Conveyance Tax Funds and the Park Trust Fund to the Coleman Soccer Fields project in the Parks City-Wide Construction and Conveyance Tax Fund. This allocation was established to help fund the potential future shortfall between the sale of the property and the amount required to pay off the 2008F Bond (which was the issuing bond for the purchase of the Airport West property). Since it is not anticipated that the \$2.3 million that was set aside will be needed in the immediate future, this report recommends eliminating the Coleman Soccer Fields project and re-allocating the funding to the Airport West (Coleman) Debt Service Payment Reserve. Once the property is sold, if the Parks City-Wide Construction and Conveyance Tax Fund allocation is needed to payoff the 2008F Bond, a budget action will be brought forward for City Council consideration at that time.</p> | | | | |

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| CONST/CONV TAX PKS CW FUND (391) | | | | |
| <i>Coleman Soccer Fields</i> | Parks & Comm Fac Dev Capital Program | | (\$2,339,000) | |
| <p>This action eliminates the Coleman Soccer Fields allocation totaling \$2.3 million. In June 2012, the City Council approved a memorandum to construct community soccer fields on a portion of the Airport West property. As a result, the salable acres and the sale proceeds for the site would be reduced. Funding of \$2.3 million was transferred from the Council District Construction and Conveyance Tax Funds and the Park Trust Fund to the Coleman Soccer Fields project in the Parks City-Wide Construction and Conveyance Tax Fund. This allocation was established to help fund the potential future shortfall between the sale of the property and the amount required to pay off the 2008F Bond (which was the issuing bond for the purchase of the Airport West property). Since it is not anticipated that the \$2.3 million that was set aside will be needed in the immediate future, this report recommends eliminating the Coleman Soccer Fields project and re-allocating the funding to the Airport West (Coleman) Debt Service Payment Reserve. Once the property is sold, if the Parks City-Wide Construction and Conveyance Tax Fund allocation is needed to payoff the 2008F Bond, a budget action will be brought forward for City Council consideration at that time.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Parks & Comm Fac Dev Capital Program | | (\$387,000) | |
| <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p> | | | | |
| <i>Family Camp Capital Improvements Reserve</i> | Parks & Comm Fac Dev Capital Program | | \$42,000 | |
| <p>This action increases the Family Camp Capital Improvements Reserve by \$42,000, bringing the reserve to \$152,000. Beginning in 2012, a surcharge of \$20 per tent, per night has been collected to provide funding for future improvements at Family Camp. The fee revenue is collected in the Parks City-Wide Construction and Conveyance Tax Fund and allocated annually to the Family Camp Capital Improvements Reserve. In 2014-2015, approximately \$42,000 was received from the surcharge, therefore, this action recommends allocating those funds to the corresponding reserve. A corresponding decrease to the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance is recommended in this report to offset this action.</p> | | | | |
| <i>Happy Hollow Park and Zoo Enhancements</i> | Parks & Comm Fac Dev Capital Program | | \$195,000 | |
| <p>This action increases the Happy Hollow Park and Zoo Enhancements allocation by \$195,000, bringing the total project budget to \$695,000. Additional funding is necessary to address the higher than estimated cost to purchase and install the new Dragon's Flyers ride at Happy Hollow Park and Zoo. It is anticipated that the new attraction will be available to the public by summer 2016. A corresponding decrease to the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance is recommended in this report to offset this action.</p> | | | | |

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| CONST/CONV TAX PKS CW FUND (391) | | | | |
| <i>Super Bowl 50 - Strategic Capital Replacement and Maintenance Needs</i> | Parks & Comm Fac Dev Capital Program | | \$150,000 | |
| <p>This action increases the Strategic Capital Replacement and Maintenance Needs allocation by \$150,000 (from \$200,000 to \$350,000). Funding is needed to replace the existing turf at Cesar Chavez Park once Christmas in the Park concludes in winter 2015. During Christmas in the Park, the turf at Cesar Chavez Park receives a significant amount of foot traffic, resulting in holes and deterioration. 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, which will take place in February 2016. A corresponding decrease to the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance is recommended in this report to offset this action.</p> | | | | |
| TOTAL CONST/CONV TAX PKS CW FUND (391) | | | \$0 | \$0 |
| CONSTRUCTION EXCISE TAX FD (465) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Traffic Capital Program | | (\$1,252,217) | |
| <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p> | | | | |
| <i>Fiber Optics Permit Engineering</i> | Traffic Capital Program | | \$38,000 | |
| <p>This action increases the Fiber Optics Permit Engineering appropriation by \$38,000 for a total budget of \$257,000 to recognize revenues received in 2014-2015 in excess of the estimate for utility company reimbursements for fiber optic permit fees. This allocation provides fee-reimbursed funding for permit issuance, plan review, and related construction inspection. Permits are issued to companies to install conduits, vaults, and cables in the public right-of-way. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p> | | | | |
| <i>Local Transportation Policy and Planning</i> | Traffic Capital Program | | \$125,000 | |
| <p>This action increases the Local Transportation and Policy Planning appropriation by \$125,000 for consultant services costs for a San José Level of Service Reform Study. This study will define San José's transportation impact review policies and ensure the City's compliance with California Senate Bill 743 for revised California Environmental Quality Act (CEQA) transportation guidelines. The study will also support City staff in formalizing the transportation impact review process, while allowing for appropriate levels of developer accountability. Due to delays in negotiations, the 2015-2016 Adopted Capital Budget did not include an estimate for these consultant services. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p> | | | | |
| <i>Pavement Maintenance - State Gas Tax</i> | Traffic Capital Program | | \$1,089,217 | |
| <p>This action increases the Pavement Maintenance - State Gas Tax appropriation by \$1,089,217 to recognize final gas taxes collected in excess of the 2014-2015 State Gas Tax revenue estimate. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report.</p> | | | | |
| TOTAL CONSTRUCTION EXCISE TAX FD (465) | | | \$0 | \$0 |

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| CONV CTR FACIL DIST REV FD (791) | | | | |
| <i>Convention Center Boiler Protection</i> | Muni Improvements Capital Program | | \$1,850,000 | |
| <p>This action establishes the Convention Center Boiler Protection project in the amount of \$1.9 million in the Convention Center Facilities District Revenue Fund (CCFD Fund). This project is currently funded in the Convention and Cultural Affairs Fund at the \$1.1 million level, which allows for the replacement of heat exchangers and a water treatment system to protect the replaced heat exchangers. After additional investigation, however, the fittings used to connect the piping associated with the heat exchangers and boilers are failing and have caused significant corrosion. The recommended response, and a permanent fix, is to replace the corroded piping and weld the pipe sections together, resulting in a cost increase of \$750,000, bringing the total project cost to \$1.9 million. A corresponding action is included elsewhere in this report to eliminate the \$1.1 million funded in the Convention and Cultural Affairs Fund, as it is recommended to fully fund the project from the CCFD Fund. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |
| <i>Convention Center Elevator Upgrades</i> | Muni Improvements Capital Program | | \$920,000 | |
| <p>This action establishes the Convention Center Elevator Upgrades project in the amount of \$920,000 in the Convention Center Facilities District Revenue Fund (CCFD Fund). This project is currently funded in the Convention and Cultural Affairs Fund at the \$460,000 level, which is sufficient to rehabilitate four of the eight interior passenger elevators. As the Convention Center elevators continue to deteriorate, however, a complete overhaul of the eight interior Convention Center elevators is recommended at a cost of \$920,000. A corresponding action is included elsewhere in this report to eliminate the \$460,000 funded in the Convention and Cultural Affairs Fund as it is recommended to fully fund the project from the CCFD Fund. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |
| <i>Convention Center Escalator Upgrades</i> | Muni Improvements Capital Program | | \$1,200,000 | |
| <p>This action establishes the Convention Center Escalator Upgrades project in the amount of \$1.2 million in the Convention Center Facilities District Revenue Fund (CCFD Fund). A corresponding action is included elsewhere in this report to eliminate the \$1.2 million in the Convention and Cultural Affairs Fund as it is recommended to fully fund the project from the CCFD Fund. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |

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|--|--------------------------------------|------------------|---------------|---------------|
| CONV CTR FACIL DIST REV FD (791) | | | | |
| <i>Convention Center Exhibit Hall Lighting and Ceiling Upgrades</i> | Muni Improvements Capital Program | | \$300,000 | |
| This action establishes the Convention Center Exhibit Hall Lightning and Ceiling Upgrades project in the amount of \$300,000 in the Convention Center Facilities District Revenue Fund (CCFD Fund). A corresponding action is included elsewhere in this report to eliminate the \$300,000 in the Convention and Cultural Affairs Fund as it is recommended to fully fund the project from the CCFD Fund. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Muni Improvements Capital Program | | (\$4,270,000) | |
| This action decreases the Ending Fund Balance to offset the actions recommended in this report. | | | | |
| TOTAL CONV CTR FACIL DIST REV FD (791) | | | \$0 | \$0 |
| CONV CTR FACILI DIST PROJ FD (691) | | | | |
| <i>Convention Center Expansion and Renovation Project</i> | Muni Improvements Capital Program | | \$87,423 | |
| This action increases the Convention Center Expansion and Renovation Project appropriation by \$87,423 to provide funding for close-out costs associated with the completion of the project. The project was accepted for beneficial use in September 2013. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Muni Improvements Capital Program | | (\$87,423) | |
| This action decreases the Ending Fund Balance to offset the action recommended in this report. | | | | |
| TOTAL CONV CTR FACILI DIST PROJ FD (691) | | | \$0 | \$0 |
| CONV/CULTURAL AFFAIRS FUND (536) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Economic Development | | \$1,181,901 | |
| This action increases the Ending Fund Balance to offset the actions recommended in this report. | | | | |
| <i>Transfer from Transient Occupancy Tax Fund (TOT Revenue Reconciliation)</i> | Economic Development | | | \$441,901 |
| Actual 2014-2015 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budgeted estimate of \$21.5 million by \$883,801. This action increases the Transfer to the Convention and Cultural Affairs Fund in the amount of \$441,901 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding action in the Transient Occupancy Tax Fund is also recommended elsewhere in this report. | | | | |

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|---|--------------------------------------|------------------|---------------|---------------|
| CONV/CULTURAL AFFAIRS FUND (536) | | | | |
| <i>Transfer to General Fund (American Musical Theater - Broadway San José)/Earned Revenue</i> | Economic Development | | \$111,533 | \$111,533 |
| <p>This action increases the Transfer to the General Fund toward the American Musical Theater - Broadway San José loan repayment and the estimate for Earned Revenue by \$111,533. Team San Jose collects \$1 for every ticket sold for a Broadway San José show and then remits these payments to the City for repayment of a past loan made to the American Musical Theater (AMT) in the amount of \$1 million. The 2014-2015 budget assumed \$60,000 from the ticket sales. A year-end reconciliation has identified \$71,533 of additional ticket sales in 2014-2015 above the budgeted estimate of \$60,000 that will be deposited into the Convention and Cultural Affairs Fund. Given last year's activity, the ticket surcharge revenue estimate for 2015-2016 is anticipated to increase by \$40,000 (from \$60,000 to \$100,000). These funds are recommended to be transferred to the General Fund, the originating funding source of the AMT loan. A corresponding action in the General Fund is recommended elsewhere in this report. In total, \$345,215 of the \$1.0 million loan has been repaid, leaving a remaining balance of \$654,785.</p> | | | | |
| <i>Convention Center Boiler Protection</i> | Muni Improvements Capital Program | | (\$1,100,000) | |
| <p>This action eliminates the \$1.1 million funding for the Convention Center Boiler Protection project in the Convention and Cultural Affairs Fund. A corresponding action is included elsewhere in this report to establish and fully fund this project at the \$1.9 million level in the Convention Center Facilities District Revenue Fund (CCFD Fund). The cost increase accounts for the additional work needed to replace and weld together pipe sections associated with the heat exchangers and boilers, which was not anticipated when the original project scope was developed. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |
| <i>Convention Center Elevator Upgrades</i> | Muni Improvements Capital Program | | (\$460,000) | |
| <p>This action eliminates the \$460,000 funding for the Convention Center Elevator Upgrades project in the Convention and Cultural Affairs Fund. A corresponding action is included elsewhere in this report to establish and fully fund this project at the \$920,000 level in the Convention Center Facilities District Revenue Fund (CCFD Fund). This original project estimate of \$460,000 level is sufficient to rehabilitate four of the eight interior passenger elevators. As the Convention Center elevators continue to deteriorate, however, a complete overhaul of the eight interior Convention Center elevators is recommended at a cost of \$920,000. Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |

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| <u>Action</u> | <u>Department/Program</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|--|--------------------------------------|------------------|---------------|---------------|
| CONV/CULTURAL AFFAIRS FUND (536) | | | | |
| <i>Convention Center Escalator Upgrades</i> | Muni Improvements Capital Program | | (\$1,200,000) | |
| <p>This action eliminates the \$1.2 million funding for the Convention Center Escalator Upgrades project in the Convention and Cultural Affairs Fund. A corresponding action is included elsewhere in this report to fully fund this project in the amount of \$1.2 million in the Convention Center Facilities District Revenue Fund (CCFD Fund). Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |
| <i>Convention Center Exhibit Hall Lighting and Ceiling Upgrades</i> | Muni Improvements Capital Program | | (\$300,000) | |
| <p>This action eliminates the \$300,000 funding for the Convention Center Exhibit Hall Lighting and Ceiling Upgrades project in the Convention and Cultural Affairs Fund. A corresponding action is included elsewhere in this report to fully fund this project in the amount of \$300,000 in the Convention Center Facilities District Revenue Fund (CCFD Fund). Changing the funding source for this project takes advantage of the growing special tax revenues available in the CCFD Fund, allowing for additional capacity in the Convention and Cultural Affairs Fund to make capital investments at the City's other cultural facilities.</p> | | | | |
| <i>Convention Center Lighting Controls Replacement</i> | Muni Improvements Capital Program | | (\$300,000) | |
| <p>This action eliminates the funding of \$300,000 for the Convention Center Lighting Controls Replacement. This project is recommended to be temporarily suspended while Team San Jose works with Pacific Gas and Electric (PG&E) Company to conduct an audit of lighting equipment and controls throughout the Convention Center. The results of the audit will determine the type of new and upgraded lighting controls needed once this project restarts, which is anticipated for next year.</p> | | | | |
| <i>Cultural Facilities Rehabilitation/Repair - Electrical</i> | Muni Improvements Capital Program | | \$880,000 | |
| <p>This action increases the Cultural Facilities Rehabilitation/Repair – Electrical project by \$880,000 (from \$220,000 to \$1,100,000) to fund a variety of urgent needs, primarily to ensure that the Convention Center meets its clients' needs. The major efforts include: lighting and other energy efficiency upgrades (\$360,000) that will qualify for rebates from PG&E and are expected to yield cost savings of \$200,000 within the first year after installation, the upgrade of WiFi at the Hilton and Marriott Hotels (\$220,000) to allow clients seamless connectivity between the Convention Center and the hotels, which will generate future revenue from the sale of WiFi services, complete the key system integration throughout the Convention Center and theater facilities (\$120,000), and a variety of other upgrades to Convention audio systems and display monitors.</p> | | | | |

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|---|--------------------------------------|------------------|------------------|------------------|
| CONV/CULTURAL AFFAIRS FUND (536) | | | | |
| <i>Cultural Facilities Rehabilitation/Repair - Mechanical</i> | Muni Improvements Capital Program | | \$390,000 | |
| <p>This action establishes the Cultural Facilities Rehabilitation/Repair – Mechanical project in the amount of \$390,000 to fund the purchase and implementation of a new point of sale system and registers that allow for mobile and enhanced secure payments at the Convention Center and cultural facilities managed by Team San Jose (\$300,000), the replacement of Team San Jose’s only refrigeration truck that transports perishable items which has reached the end of its useful life (\$50,000), and digital sign menu boards at the California Theater (\$40,000).</p> | | | | |
| <i>Cultural Facilities Rehabilitation/Repair - Structures</i> | Muni Improvements Capital Program | | \$1,350,000 | |
| <p>This action increases the Cultural Facilities Rehabilitation/Repair – Structures project by \$1,350,000 (from \$100,000 to \$1,450,000) to fund a variety of urgent needs at the Convention Center and Civic Auditorium. The major efforts include: the installation or replacement of protective equipment, such as kick plates and corner guards throughout the Exhibit Hall and public concourse to prolong the useful life of the renovated areas (\$650,000), rehabilitation of upper and lower windows of the Civic Auditorium that are deteriorated and subject to water intrusion (\$280,000), the buildout of a United Parcel Service Store within the Convention Center (\$150,000) to meet the logistics needs of clients and serve as a future source of operating revenue, and minor improvements at the Convention Center (\$107,500), Civic Center (\$60,000), California Theater (\$50,000), Center for Performing Arts (\$32,500), and the Montgomery Theater (\$20,000).</p> | | | | |
| TOTAL CONV/CULTURAL AFFAIRS FUND (536) | | | \$553,434 | \$553,434 |
| DOWNTOWN PBID FUND (302) | | | | |
| <i>Downtown Property and Business Improvement District (PBID)</i> | Transportation | | \$16,000 | |
| <p>This action increases the Downtown Property and Business Improvement District (PBID) appropriation by \$16,000 to allocate funds from assessments received in late May 2015 for previously unpaid prior-year assessments. The increase to the Downtown PBID appropriation provides for the payment of assessment fees to the San José Downtown Association (SJDA).</p> | | | | |

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|--|---------------------------|------------------|----------------|----------------|
| DOWNTOWN PBID FUND (302) | | | | |
| <i>Downtown Property and Business Improvement District (PBID)/Transfers</i> | Transportation | | \$4,442 | \$4,442 |
| This action increases the Downtown PBID appropriation and the Transfer from the General Fund by \$4,442 (from \$705,320 to \$709,762) to align the City's property assessment to the program and assessment rates adopted by the PBID Board in April 2015. The 2015-2016 Adopted Operating Budget assumed an assessment rate increase of approximately 3% based on the most recent Consumer Price Index (CPI) and other program costs, however a 5% rate increase was approved by the PBID Board. Actual budgets and increases are determined by the SJDA Board of Directors, which is the PBID Owners' Association, and are formally approved by the City Council. The General Fund pays the assessment for City-owned facilities in the PBID, as well as a contractually determined amount for maintenance of the downtown transit mall. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Transportation | | (\$16,000) | |
| This action decreases the Ending Fund Balance to offset the action recommended in this report. | | | | |
| TOTAL DOWNTOWN PBID FUND (302) | | | \$4,442 | \$4,442 |
| EDW BYRNE MEMORIAL JAG FD (474) | | | | |
| <i>2012 Justice Assistance Grant/Earned Revenue</i> | Police | | \$124 | \$25 |
| This action increases the 2012 Justice Assistance Grant (JAG) appropriation and the estimate for Earned Revenue to reflect interest earned for the JAG 2012 Grant cycle that was previously unallocated, in order to repay the granting agency per grant provisions. The spending plan for this grant includes equipment, crime prevention and community education programs, and grant administration. | | | | |
| <i>2013 Justice Assistance Grant</i> | Police | | \$584 | |
| This action increases the 2013 Justice Assistance Grant appropriation to reflect interest earned for the JAG 2013 Grant cycle that was previously unallocated, in order to repay the granting agency per grant provisions. The spending plan for this grant includes equipment, crime prevention and community education programs, and grant administration. | | | | |
| <i>2014 Justice Assistance Grant</i> | Police | | \$390 | |
| This action increases the 2014 Justice Assistance Grant appropriation to reflect interest earned for the JAG 2014 Grant cycle that was previously unallocated, in order to repay the granting agency per grant provisions. The spending plan for this grant includes equipment, crime prevention and community education programs, and grant administration. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Police | | (\$1,073) | |
| This action decreases the Ending Fund Balance to offset the actions recommended in this report. | | | | |
| TOTAL EDW BYRNE MEMORIAL JAG FD (474) | | | \$25 | \$25 |

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|--|---------------------------|------------------|---------------|---------------|
| FEDERAL DRUG FORFEITURE FUND (419) | | | | |
| <i>Body Worn Cameras</i> | Police | | \$1,200,000 | |
| <p>This action establishes the Body Worn Cameras (BWC) appropriation to the Police Department in the amount of \$1.2 million to purchase approximately 600 BWCs and associated evidence management services for sworn field personnel once the BWC pilot program is concluded and the results are evaluated. While the intent is to ultimately supply all sworn field personnel with BWCs, because the number of cameras purchased with this initial funding may differ due to the procurement process and selected vendor, the Patrol Division and Special Operations are designated as the highest priority and will be the first to receive the BWCs. The Police Department had applied for federal grant funds of \$600,000 to cover a portion of the cost of the BWCs and the 2015-2016 Adopted Budget includes \$613,000 in grant matching funds in the State Drug Forfeiture Fund. Since the City was notified in September 2015 that the grant was not awarded, this action funds the purchase and implementation of the BWCs, and, when combined with the \$500,000 also set aside in the Supplemental Law Enforcement Services Fund, enables a total of \$1.7 million for the procurement process in 2015-2016 with the rollout tentatively scheduled for spring 2016. As part of the BWC pilot program evaluation, staff will analyze the need for additional ongoing costs, such as data storage and staffing, which will be brought forward as part of the 2016-2017 Proposed Budget, as appropriate. Since the grant was not awarded, the local match of \$613,000 in the State Drug Forfeiture Fund is no longer needed and is recommended to be eliminated elsewhere in this report.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Police | | (\$1,200,000) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| TOTAL FEDERAL DRUG FORFEITURE FUND (419) | | | \$0 | \$0 |
| GIFT TRUST FUND (139) | | | | |
| <i>Library-General Gifts/Earned Revenue</i> | Library | | \$68,494 | \$68,494 |
| <p>This action increases the Library-General Gifts appropriation and the estimate for Earned Revenue to recognize and appropriate gifts made by various donors, including, but not limited to, the Friends of the Library groups and the San José Library Foundation, for programming, supplies, and materials in support of the: Alum Rock Branch Library (\$905); Bascom Branch Library (\$100); Berryessa Branch Library (\$1,500); Biblioteca Latinoamericana Branch Library (\$1,000); Calabazas Branch Library (\$2,000); Dr. Martin Luther King, Jr. Library (\$5,000); East San José Carnegie Branch Library (\$350); Edenvale Branch Library (\$1,625); Evergreen Branch Library (\$3,000); Hillview Branch Library (\$100); Rose Garden Branch Library (\$714); Santa Teresa Branch Library (\$525); Teen Center at Dr. Martin Luther King, Jr. Library (\$50,000); Vineland Branch Library (\$375); West Valley Branch Library (\$50); and Willow Glen Branch Library (\$1,250).</p> | | | | |

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|--|-----------------------------|------------------|--------------------|--------------------|
| GIFT TRUST FUND (139) | | | | |
| <i>RP & CS General Gifts over \$1,000/Earned Revenue</i> | Parks, Rec, & Neigh Svcs | | \$10,000 | \$10,000 |
| This action increases the RP & CS General Gifts over \$1,000 appropriation and the estimate for Earned Revenue to recognize and appropriate a \$5,000 gift from Sourcewise and a \$5,000 gift from Kaiser Permanente for Viva CalleSJ programming. Viva CalleSJ is a free recreational program that closes miles of scenic San José streets and brings people and the community together to walk, bike, skate, play, and explore the City. | | | | |
| <i>Safety - Pedestrian Improvements/Earned Revenue</i> | Transportation | | \$71,000 | \$71,000 |
| This action increases the Safety - Pedestrian Improvements appropriation and the estimate for Earned Revenue to recognize and appropriate a \$71,000 gift from Avago Technologies for the design, project management, and construction of pedestrian safety measures on Ridder Park Drive just north of Fox Drive in San José. These measures include installation of two Americans with Disabilities Act ramps, pedestrian signs, solar powered flashing beacons, crosswalk markings, roadway striping, and construction of two bulbouts. | | | | |
| TOTAL GIFT TRUST FUND (139) | | | \$149,494 | \$149,494 |
| HOUSING TRUST FUND (440) | | | | |
| <i>Ending Fund Balance Adjustment/Transfers</i> | Housing | | \$2,600,000 | \$2,600,000 |
| This action increases the estimate for Transfers by \$2,600,000 to recognize the receipt of funds currently in the Multi-Source Housing Fund as a result of a development agreement in which a property owner agreed to a monetary contribution in consideration of an additional unit allocation for the Century Court high-rise residential development in North San José. A corresponding decrease to the Multi-Source Housing Fund Ending Fund Balance to offset this action is recommended elsewhere in this report. | | | | |
| TOTAL HOUSING TRUST FUND (440) | | | \$2,600,000 | \$2,600,000 |
| INTEGRATED WASTE MGT FUND (423) | | | | |
| <i>EIC QALICB Master Lease Payment</i> | Environmental Services | | \$7,000 | |
| This action increases the EIC QALICB Master Lease Payment by \$7,000. This funding is a necessary CPI-based adjustment that was inadvertently not appropriated during the development of the 2015-2016 Adopted Operating Budget. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Environmental Services | | (\$216,000) | |
| This action decreases the Ending Fund Balance to offset the actions recommended in this report. | | | | |

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|--|---------------------------|------------------|---------------|---------------|
| INTEGRATED WASTE MGT FUND (423) | | | | |
| <i>Delinquent Lien Releases</i> | Finance | | \$209,000 | |
| <p>This action increases Delinquent Lien Releases appropriation by \$209,000. In 2013, the City Council approved a strategy to collect Single-Family Dwelling (SFD) Recycle Plus revenues through Santa Clara County's property tax collection program, starting in 2015-2016, resulting in overall program cost savings and service delivery efficiencies. Due to the transition of the SFD garbage billing program to the County, a significant number of lien releases were processed in 2015-2016. However, as part of the 2015-2016 Adopted Budget process, it was anticipated that all lien releases for SFD would be processed in 2014-2015; therefore, funding was not allocated in 2015-2016. In addition, the number of lien releases processed due to the SFD garbage billing program transition was higher than anticipated.</p> | | | | |
| TOTAL INTEGRATED WASTE MGT FUND (423) | | | \$0 | \$0 |
| LOW/MOD INCOME HSNG ASSET FD (346) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Housing | | (\$190,000) | |
| <p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p> | | | | |
| <i>Housing Loans and Grants</i> | Housing | | \$6,565,000 | |
| <p>This action increases the Housing Loans and Grants appropriation by \$6,565,000 to fund loans and grants for the predevelopment of five affordable housing projects (Plaza Hotel, Balbach, Mesa /Gallup, Met South, and Hester) (\$2,065,000) and the potential acquisition of land for a Downtown Supportive Housing project (\$4,500,000).</p> | | | | |
| <i>Housing Predevelopment Activity</i> | Housing | | \$200,000 | |
| <p>This action increases the Housing Predevelopment Activity appropriation by \$200,000 (from \$200,000 to \$400,000), to fund historic, environmental, and urban design contractual consultant agreements associated with determining the feasibility of future affordable projects on sites acquired by the Housing Department for potential development.</p> | | | | |
| <i>Housing Project Reserve</i> | Housing | | (\$6,765,000) | |
| <p>This action decreases the Housing Project Reserve, from \$71,828,509 to \$65,063,509 (if other recommendations discussed elsewhere in this report are approved), to offset an increase to the Housing Loans and Grants and Housing Predevelopment Activity appropriations for the predevelopment of five affordable housing projects (Plaza Hotel, Balbach, Mesa/Gallup, Met South, and Hester) and potential acquisition of land for a Downtown Supportive Housing project.</p> | | | | |

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|--|---------------------------|------------------|---------------------|---------------------|
| LOW/MOD INCOME HSNB ASSET FD (346) | | | | |
| <i>Housing Project Reserve/Earned Revenue</i> | Housing | | \$32,148,509 | \$32,148,509 |
| <p>This action increases the Housing Project Reserve and the estimate for Earned Revenue - Loan Repayments by \$32,148,509. This action recognizes \$32.1 million in loan repayments received in early 2015-2016 that had not been anticipated when the 2015-2016 Adopted Budget was developed. These loan repayments are from eight multi-family projects including La Fenetre, Le Mirador, Miranda Villa, Quail Hills Senior, Sienna Senior, Villa Torre I & II, and Villagio. This revenue will be utilized for future project commitments following approval by the City Council. The Housing Department plans to bring forward a City Council memorandum this fall describing its development funding strategy through 2016-2017.</p> | | | | |
| <i>Non-Personal/Equipment (Asset Management Study)</i> | Housing | | \$190,000 | |
| <p>This action increases the Non-Personal/Equipment appropriation by \$190,000 to fund the first phase of a consultant agreement with Tax Credit Asset Management (TCAM). TCAM will conduct a strategic analysis of the Housing Department's multi-family loan portfolio with emphasis placed on analysis of City policies and procedures, timing of project loan repayments, and overall cash flow and impact on the Housing Department. As loan repayments are increasing in size and frequency, this analysis will assist the Housing Department in better understanding the impact of these repayments on the Housing Department's portfolio as a whole, further assisting the department's development funding strategy.</p> | | | | |
| TOTAL LOW/MOD INCOME HSNB ASSET FD (346) | | | \$32,148,509 | \$32,148,509 |
| MULTI-SOURCE HOUSING FD (448) | | | | |
| <i>CalHome (BEGIN) Program</i> | Housing | | \$700,000 | |
| <p>This action increases the CalHome (BEGIN) Program appropriation by \$700,000, bringing the total appropriation amount to \$1,200,000, to fund 15 BEGIN loans in the amount of \$80,000 each. CalHome (BEGIN) program loans provide mortgage assistance for first time homebuyers. The Housing Department recently completed a Request for Proposal, and an agreement is now in place with the Housing Trust to resume lending to homeowners through this loan program. A corresponding decrease to the Housing Project Reserve is also recommended to offset this action.</p> | | | | |
| <i>CalHome (Homebuyer) Program</i> | Housing | | \$720,000 | |
| <p>This action increases the CalHome (Homebuyer) Program appropriation by \$720,000 to fund 12 homebuyer loans in the amount of \$60,000 each. CalHome (Homebuyer) program loans enable low and very-low income households to become or remain homeowners. The Housing Department recently completed a Request for Proposal, and an agreement is now in place with the Housing Trust to resume lending to homeowners through this loan program. A corresponding decrease to the Housing Project Reserve is also recommended to offset this action.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Housing | | (\$2,795,000) | |
| <p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p> | | | | |

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|---|---------------------------|------------------|-----------------|-----------------|
| MULTI-SOURCE HOUSING FD (448) | | | | |
| <i>Housing Project Reserve</i> | Housing | | (\$1,420,000) | |
| This action decreases the Housing Project Reserve (from \$12,000,000 to \$10,580,000), if other recommendations discussed elsewhere in this report are approved, to offset the CalHome (BEGIN) Program and CalHome (Homebuyer) Program actions recommended in this report. | | | | |
| <i>Non-Personal/Equipment (Apartment Rent Ordinance Project)</i> | Housing | | \$195,000 | |
| This action increases the Non-Personal/Equipment appropriation by \$195,000 to fund consultant agreements related to the Apartment Rent Ordinance and Rental Rights and Referrals Program Workplan as approved by the City Council on September 1, 2015. The consultants will perform contextual analysis of San José renters and rental housing to gain a better understanding of issues including rent burden, overcrowding, and tenant mobility. The Housing Department will return to the City Council in December 2015 to report on findings from this study. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report. | | | | |
| <i>Non-Personal/Equipment (Housing 2.0 Symposium Grant)/Earned Revenue</i> | Housing | | \$45,000 | \$45,000 |
| This action increases the Non-Personal/Equipment appropriation and the estimate for Earned Revenue – Miscellaneous Revenue by \$45,000 to recognize a Knight Foundation grant to the City of San José for hosting the Housing 2.0 Symposium in 2016. The Housing 2.0 Symposium will focus on topics including addressing the high cost of housing and encouraging talent to live and stay in the City of San José. | | | | |
| <i>Non-Personal/Equipment (Regional Prosperity Plan Stipend)/Earned Revenue</i> | Housing | | \$23,000 | \$23,000 |
| This action increases the Non-Personal/Equipment appropriation and the estimate for Earned Revenue – Miscellaneous Revenue by \$23,000 to recognize a stipend received by the Housing Department for reimbursement of staff time to participate in the planning process for Housing and Urban Development (HUD)-funded Bay Area Regional Prosperity Plan. The Bay Area Regional Prosperity Plan is a three-year collaboration between HUD, the Association of Bay Area Governments, and the Metropolitan Transportation Commission to explore an integrated approach to planning for housing, transportation, and jobs in the region. | | | | |
| <i>Transfer to Housing Trust Fund</i> | Housing | | \$2,600,000 | |
| This action transfers \$2,600,000 from the Multi-Source Housing Fund to the Housing Trust Fund to reflect revenue that was received in 2014-2015 but erroneously deposited in the Multi-Source Housing Fund. A corresponding decrease to the Ending Fund Balance to offset this action is recommended elsewhere in this report. | | | | |
| TOTAL MULTI-SOURCE HOUSING FD (448) | | | \$68,000 | \$68,000 |

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| <u>Action</u> | <u>Department/Program</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|--|---------------------------|------------------|------------------|------------------|
| SJ ARENA CAPITAL RESERVE FD (459) | | | | |
| <i>Ending Fund Balance Adjustment/Earned Revenue</i> | Economic Development | | \$200,000 | \$200,000 |
| <p>This action increases the estimate for Earned Revenue by \$200,000 to recognize additional revenues from the Sharks Sports and Entertainment (SSE). Authorization to negotiate and execute an amended and restated Management Agreement between the City of San José and SSE was approved by the City Council on May 19, 2015, which includes a minimum term extension to June 30, 2025, reduces SSE's payment to the City for the lease of the SAP Center and Ice Centre, and provides funds for capital rehabilitation for the SAP Center. In accordance with the information included in that memorandum, SSE will contribute an additional \$200,000, for a total of \$750,000, each year to the San José Arena Capital Reserve Fund through 2017-2018. This action aligns the revenue estimate with the agreement and a corresponding increase to the Ending Fund Balance is also recommended to offset this action.</p> | | | | |
| TOTAL SJ ARENA CAPITAL RESERVE FD (459) | | | \$200,000 | \$200,000 |
| SJ ARENA ENHANCEMENT FUND (301) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Economic Development | | (\$50,388) | |
| <p>This action decreases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |
| <i>Transfer to General Fund (San José Arena Enhancement Fund Close-Out)</i> | Transfers | | \$50,388 | |
| <p>This action establishes a Transfer to the General Fund of \$50,388. The San José Arena Enhancement Fund provides for debt service repayment for SAP Arena Enhancements under the existing agreement with Sharks Sports Entertainment (SSE), and revenues to the fund include General Fund payments and interest. A year-end reconciliation has identified \$50,388 of excess General Fund payments that were deposited into the San José Arena Enhancement Fund. These funds are no longer necessary to retire debt and are recommended to be transferred to the General Fund, the originating funding source. Corresponding actions in the General Fund are recommended elsewhere in this report.</p> | | | | |
| TOTAL SJ ARENA ENHANCEMENT FUND (301) | | | \$0 | \$0 |
| STATE DRUG FORF FUND (417) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Police | | \$613,000 | |
| <p>This action increases the Ending Fund Balance to offset the action recommended in this report.</p> | | | | |

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| <u>Action</u> | <u>Department/Program</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|--|-----------------------------|------------------|---------------|---------------|
| STATE DRUG FORF FUND (417) | | | | |
| <i>Non-Personal/Equipment/Personal Services (Body Worn Cameras)</i> | Police | | (\$613,000) | |
| <p>This action eliminates Non-Personal/Equipment (\$313,000) and Personal Services (\$300,000) funding. These appropriations were to serve as a local match for a \$600,000 federal grant related to the procurement of Body Worn Cameras (BWCs). Since the City was notified in September 2015 that the grant was not awarded, the match of \$613,000 in the State Drug Forfeiture Fund is no longer needed and is recommended to be eliminated. Other recommendations related to BWCs are included in the Federal Drug Forfeiture Fund of this report.</p> | | | | |
| TOTAL STATE DRUG FORF FUND (417) | | | \$0 | \$0 |
| STORM SEWER CAPITAL FUND (469) | | | | |
| <i>Alviso Storm Network Infiltration Control</i> | Storm Sewer Capital Program | | \$200,000 | |
| <p>This action increases the Alviso Storm Network Infiltration Control project by \$200,000 (from \$192,000 to \$392,000). The most recent lowest bid for the construction phase of this project exceeded the engineering estimate, due primarily to material cost escalation. This project increase would therefore allow the timely award of the construction contract and completion of this project within its planned timeframe.</p> | | | | |
| <i>Charcot Storm Pump Station Reserve</i> | Storm Sewer Capital Program | | \$1,000,000 | |
| <p>This action increases the Charcot Storm Pump Station Reserve by \$1.0 million (from \$2.0 million to \$3.0 million). Significant work on the Charcot Storm Pump Station at Coyote Creek project is not anticipated until after the Master Plan is completed in 2017 and an external financing strategy is developed. As a result, it is recommended that the unspent funds for this project from 2014-2015 be placed into this reserve until that time.</p> | | | | |
| <i>Ending Fund Balance Adjustment</i> | Storm Sewer Capital Program | | (\$1,200,000) | |
| <p>This action decreases the Ending Fund Balance to offset the actions recommended in this report.</p> | | | | |
| TOTAL STORM SEWER CAPITAL FUND (469) | | | \$0 | \$0 |

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|---|---|------------------|------------|---------------|
| SUBDIVISION PARK TRUST FUND (375) | | | | |
| <i>Almaden Lake Park Playground Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$5,000) | |
| <p>This action eliminates the Almaden Lake Park Playground Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Almaden Lake Park Playground Public Art allocation in the Park Trust Fund, and in the Council District 10 Construction and Conveyance Tax Fund to increase the Council District 10 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |
| <i>Basking Ridge Tot Lot Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$2,000) | |
| <p>This action eliminates the Basking Ridge Tot Lot Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Basking Ridge Tot Lot Public Art allocation in the Park Trust Fund, and in the Council District 2 Construction and Conveyance Tax Fund to increase the Council District 2 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |
| <i>Bernal Park Expansion Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$2,000) | |
| <p>This action eliminates the Bernal Park Expansion Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Bernal Park Expansion Public Art allocation in the Park Trust Fund, and in the Council District 3 Construction and Conveyance Tax Fund to increase the Council District 3 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |

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| <u>Action</u> | <u>Department/Program</u> | <u>Positions</u> | <u>Use</u> | <u>Source</u> |
|--|---|------------------|------------|---------------|
| SUBDIVISION PARK TRUST FUND (375) | | | | |
| <p><i>Columbus Park Restroom and Ball Fields Public Art</i></p> <p>This action eliminates the Columbus Park Restroom and Ball Fields Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Columbus Park Restroom and Ball Fields Public Art allocation in the Park Trust Fund, and in the Council District 3 Construction and Conveyance Tax Fund to increase the Council District 3 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | Parks & Comm Fac Dev Capital Program | | (\$1,000) | |
| <p><i>Communications Hill Phase II Hillsdale Fitness Staircase Design Review and Inspection/Earned Revenue</i></p> <p>This action establishes the Communications Hill Phase II Hillsdale Fitness Staircase Design Review and Inspection allocation and increases the estimate for Earned Revenue by \$300,000. As partial fulfillment of its parkland dedication obligation, the developer will construct improvements to the Hillsdale Fitness Staircase (located at Communications Hill), which may include a restroom, outdoor gym equipment, fixed exercise features, seating areas, and open space. This action recommends allocating \$300,000 for Public Works Department design review and inspection costs related to the improvements, which will be reimbursed by the developer. It is anticipated that the completed project will exceed the parkland dedication obligation, therefore, in June 2015 the City Council approved a recommendation for the City to reimburse the developer up to \$2.1 million (from the Council District 7 Construction and Conveyance Tax Fund and the Park Trust Fund) for improvements made on the staircase.</p> | Parks & Comm Fac Dev Capital Program | | \$300,000 | \$300,000 |
| <p><i>Communications Hill Phase II Turnkey Park Design Review and Inspection/Earned Revenue</i></p> <p>This action establishes the Communications Hill Phase II Turnkey Park Design Review and Inspection allocation and increases the estimate for Earned Revenue by \$279,000. Once completed, the Communications Hill Phase II Turnkey Park will include tot lot and youth lot play areas, a rock wall, a performance and/or picnic pavilion, and a large open space area. As partial fulfillment of its parkland dedication agreement, the park is being designed and constructed by a developer, with the developer also providing funding to the City for the design review and inspection costs (\$279,000) related to the turnkey park.</p> | Parks & Comm Fac Dev Capital Program | | \$279,000 | \$279,000 |
| <p><i>Developer Refunds</i></p> <p>This action increases the Developer Refunds allocation by \$2,000 to refund a parkland dedication ordinance fee that was erroneously paid by a developer. A reduction to the Future PDO/PIO Reserve is recommended in this report to offset this action.</p> | Parks & Comm Fac Dev Capital Program | | \$2,000 | |

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|---|---|------------------|---------------|---------------|
| SUBDIVISION PARK TRUST FUND (375) | | | | |
| <i>Evergreen Community Center Expansion Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$1,000) | |
| <p>This action eliminates the Evergreen Community Center Expansion Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Evergreen Community Center Public Art allocation in the Park Trust Fund, and in the Council District 8 Construction and Conveyance Tax Fund to increase the Council District 8 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |
| <i>Future PDO/PIO Projects Reserve</i> | Parks & Comm Fac Dev Capital Program | | (\$2,251,000) | |
| <p>This action decreases the Future PDO/PIO Projects Reserve to offset the actions recommended in this report.</p> | | | | |
| <i>Glenview Park Infrastructure Improvements Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$5,000) | |
| <p>This action eliminates the Glenview Park Infrastructure Improvements Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Glenview Park Infrastructure Improvements Public Art allocation in the Park Trust Fund, and in the Council District 10 Construction and Conveyance Tax Fund to increase the Council District 10 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |

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|---|---|------------------|------------------|------------------|
| SUBDIVISION PARK TRUST FUND (375) | | | | |
| <i>Parkview II Park Renovation Public Art</i> | Parks & Comm Fac Dev Capital Program | | (\$3,000) | |
| <p>This action eliminates the Parkview II Park Renovation Public Art allocation. In accordance with Chapter 22.08 of the San José Municipal Code, one percent of all construction projects is required to be allocated to public art. The current practice in the Park Trust Fund is to allocate all funding for public art projects in the corresponding Council District Construction and Conveyance Tax Fund. This practice allows for the consolidation of funds to provide for a larger public art project. However, the Park Trust Fund includes several public art allocations that were allocated in previous fiscal years. To be consistent with the current funding practice, this action recommends eliminating the Parkview II Park Renovation Public Art allocation in the Park Trust Fund, and in the Council District 10 Construction and Conveyance Tax Fund to increase the Council District 10 Public Art budget, accordingly. A corresponding increase to the Future PDO/PIO Projects Reserve in the Park Trust Fund is recommended to offset this action.</p> | | | | |
| <i>Santana Park Development Reserve</i> | Parks & Comm Fac Dev Capital Program | | \$1,768,000 | |
| <p>This action increases the Santana Park Development Reserve by \$1.8 million, bringing the total reserve to \$2.9 million. In 2012-2013, Del Monte Park was awarded grant funding of \$3.5 million from the State of California, but funding was received on a reimbursement basis. As an interim funding strategy, the City Council approved the reallocation of \$3.5 million from the Santana Park project to fund the Del Monte Park project. Grant funds of \$1.8 million were received in 2014-2015 from the State of California, therefore it is recommended to allocate this funding to the Santana Park Development Reserve in 2015-2016. As additional funds are received from the State of California, budget actions may be recommended at a later date. A reduction to the Future PDO/PIO Reserve is recommended in this report to offset this action.</p> | | | | |
| <i>St. James Park Capital Vision</i> | Parks & Comm Fac Dev Capital Program | | \$500,000 | |
| <p>This action establishes the St. James Park Capital Vision project for \$500,000, which will support design work to revitalize St. James Park. Project elements will likely include community engagement, a design competition to establish the design vision, cost estimating, and securing necessary permits for future park renovations. This effort will help validate assumptions from the 2002 Master Plan, and will allow for outreach with the community to prioritize near, mid, and long-term capital improvement projects for the park. A reduction to the Future PDO/PIO Reserve is recommended in this report to offset this action.</p> | | | | |
| TOTAL SUBDIVISION PARK TRUST FUND (375) | | | \$579,000 | \$579,000 |
| SUPPL LAW ENF SVCES FUND (414) | | | | |
| <i>Ending Fund Balance Adjustment</i> | Police | | (\$8,184) | |
| <p>This action decreases the Ending Fund Balance to offset actions recommended in this report.</p> | | | | |

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|--|----------------------------|------------------|------------------|------------------|
| SUPPL LAW ENF SVCES FUND (414) | | | | |
| <i>SLES Grant 2011-2013</i> | Police | | \$121 | |
| This action increases the Supplemental Law Enforcement Services (SLES) Grant 2011-2013 appropriation to reflect interest earned for the 2011-2013 SLES Grant cycle, that were previously unallocated, in order to expend these funds for eligible grant purposes and/or repay the granting agency per the grant provisions. | | | | |
| <i>SLES Grant 2012-2014</i> | Police | | \$264 | |
| This action increases the SLES Grant 2012-2014 appropriation to reflect interest earned for the 2012-2014 SLES Grant cycle, that were previously unallocated, in order to expend these funds for eligible grant purposes and/or repay the granting agency per the grant provisions. | | | | |
| <i>SLES Grant 2013-2015</i> | Police | | \$5,508 | |
| This action increases the SLES Grant 2013-2015 appropriation to reflect interest earned for the 2013-2015 SLES Grant cycle, that were previously unallocated, in order to expend these funds for eligible grant purposes and/or repay the granting agency per the grant provisions. | | | | |
| <i>SLES Grant 2014-2016/Earned Revenue</i> | Police | | \$467,556 | \$465,265 |
| This action increases the SLES Grant 2014-2016 appropriation by \$467,556 and the estimate for Earned Revenue to reflect payments from the State of California for the 2014-2016 SLES Grant (\$465,265) as well as allocate interest earned for the 2014-2016 SLES Grant cycle (\$2,291). These funds 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 Mobile Data Computers (MDC), body worn cameras, and officer safety equipment. | | | | |
| TOTAL SUPPL LAW ENF SVCES FUND (414) | | | \$465,265 | \$465,265 |
| TRANSIENT OCCUPANCY TX FD (461) | | | | |
| <i>Ending Fund Balance Adjustment (TOT Revenue Reconciliation)</i> | Convention Facilities Dept | | (\$883,801) | |
| This action decreases the Ending Fund Balance to offset actions recommended in this report. | | | | |
| <i>San José Convention and Visitors Bureau (TOT Revenue Reconciliation)</i> | Convention Facilities Dept | | \$220,950 | |
| Actual 2014-2015 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$21.5 million by \$883,801. These funds are recommended to be distributed to the three recipient organizations. This action increases the San José Convention and Visitors Bureau allocation in the amount of \$220,950 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. | | | | |

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|---|----------------------------|------------------|-------------|---------------|
| TRANSIENT OCCUPANCY TX FD (461) | | | | |
| <i>Transfer to Convention and Cultural Affairs Fund (TOT Revenue Reconciliation)</i> | Convention Facilities Dept | | \$441,901 | |
| Actual 2014-2015 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$21.5 million by \$883,801. These funds are recommended to be distributed to the three recipient organizations. This action increases the Transfer to the Convention and Cultural Affairs Fund in the amount of \$441,901 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. A corresponding action in the Convention and Cultural Affairs Fund is also recommended elsewhere in this report. | | | | |
| <i>Cultural Grants (TOT Revenue Reconciliation)</i> | Economic Development | | \$220,950 | |
| Actual 2014-2015 Transient Occupancy Tax (TOT) collections received in the TOT Fund exceeded the budget estimate of \$21.5 million by \$883,801. These funds are recommended to be distributed to the three recipient organizations. This action increases the Cultural Grants allocation in the amount of \$220,950 in accordance with the distribution formula outlined in the San José Municipal Code to allocate this additional revenue. | | | | |
| TOTAL TRANSIENT OCCUPANCY TX FD (461) | | | \$0 | \$0 |
| WATER UTILITY FUND (515) | | | | |
| <i>Non-Personal/Equipment/Earned Revenue - LawnBuster Pilot Program</i> | Economic Development | | \$41,250 | \$41,250 |
| This action establishes a Non-Personal/Equipment appropriation to the Office of Economic Development for the LawnBuster Pilot Program and increases the estimate for Earned Revenue by \$41,250. The LawnBuster Pilot Program is designed to provide a low-cost, expedient option for homeowners in the San José Municipal Water System service area to replace lawns with drought-tolerant plants. Our City Forest was selected to convert up to 20,000 square feet of residential lawns, install drought-resistant plants, and convert sprinkler systems to drip lines. In support of this pilot program, the Santa Clara Valley Water District will fund a one-time amount of \$41,250 for the purpose of securing youth to work on this pilot under an agreement with the work2future Foundation. A similar action is recommended elsewhere in this report for the lawn conversion and Our City Forest startup costs of this pilot program. | | | | |
| <i>Ending Fund Balance Adjustment</i> | Environmental Services | | (\$958,000) | |
| This action decreases the Ending Fund Balance to offset the actions recommended in this report. | | | | |
| <i>Non-Personal/Equipment (Billing System Licensing)</i> | Environmental Services | | \$298,000 | |
| This action increases the Non-Personal/Equipment appropriation for Billing System Licensing by \$298,000. Due to the transition to the new Customer Information System billing system, it was initially anticipated that the old billing system would no longer be necessary, and therefore, software licensing for the old system was not budgeted in 2015-2016 beyond November. However, use of the old system is now expected to be needed beyond that timeframe to fully access past records as necessary, and therefore, it is recommended that \$298,000 be appropriated to keep the software license active. | | | | |

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|--|---------------------------|------------------|----------------------|----------------------|
| WATER UTILITY FUND (515) | | | | |
| <i>Non-Personal/Equipment/Earned Revenue - LawnBuster Pilot Program</i> | Environmental Services | | \$65,000 | \$65,000 |
| <p>This action increases the Non-Personal/Equipment appropriation to the Environmental Services Department for the LawnBuster Pilot Program and the estimate for Earned Revenue by \$65,000. The LawnBuster Pilot Program is designed to provide a low-cost, expedient option for homeowners in the San José Municipal Water System service area to replace lawns with drought-tolerant plants. Our City Forest was selected to convert up to 20,000 square feet of residential lawns, install drought-resistant plants, and convert sprinkler systems to drip lines. In support of this pilot program, the Santa Clara Valley Water District will fund a one-time amount of \$40,000 for lawn conversion costs and \$25,000 for Our City Forest startup costs. A similar action is recommended elsewhere in this report for the purpose of securing youth to work on this pilot program under an agreement with the work2future Foundation.</p> | | | | |
| <i>Non-Personal/Equipment/Earned Revenue - Potable Water</i> | Environmental Services | | (\$1,200,000) | (\$1,860,000) |
| <p>This action decreases the allocation to ESD for Non-Personal/Equipment by \$1.2 million for potable water purchases and the corresponding estimate for Earned Revenue by \$1.9 million for potable water sales. The 2015-2016 Adopted Operating Budget assumed a 28% water conservation level throughout the year; however, based on potable water consumption in spring/summer 2015, Municipal Water System customers have been exceeding the targeted call for conservation. As a result, the wholesale purchase of potable water and corresponding earned revenue estimate are recommended to be adjusted based on these more current conservation levels of 35%.</p> | | | | |
| TOTAL WATER UTILITY FUND (515) | | | (\$1,753,750) | (\$1,753,750) |
| WORKFORCE DEVELOPMENT FD (290) | | | | |
| <i>Administration/Earned Revenue</i> | Economic Development | | (\$99,849) | (\$99,849) |
| <p>This action decreases the Administration appropriation by \$99,849 to align with allocations received from the State of California for administrative service activities. This action reflects the actual grant award received for 2015-2016. A corresponding decrease to the estimate for Earned Revenue for grant funding from the State of California is recommended to offset this action.</p> | | | | |
| <i>Rapid Response Grant/Earned Revenue</i> | Economic Development | | \$658,314 | \$658,314 |
| <p>This action increases the Rapid Response Grant appropriation by \$658,314 to reflect the actual grant received from the State of California Employment Development Department for the 2015-2016 Rapid Response Program. This program provides job training services to businesses and workers impacted or at risk of being impacted by company closures or layoffs. A corresponding increase to the estimate for Earned Revenue for grant funding from the State of California is recommended to offset this action.</p> | | | | |
| TOTAL WORKFORCE DEVELOPMENT FD (290) | | | \$558,465 | \$558,465 |